

STATE SOCIALISM AFTER THE WAR

A Retrospect of Reconstruction after the
War, embracing a Greater Democracy,
and founded on the Teachings of Christ.

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STATE SOCIALISM.

FOREWORD.

Soon after the commencement of the Great World War of 1914 the opinion began to be expressed in the public prints and otherwise that this greatest of wars marked the beginning of a new era in the history of the world. There was to be seen in some of the leading papers and magazines of the day such expressions as "vast changes pending throughout the world," "the greatest turning point in human history during the last twenty centuries," "the end of the age," and other similar expressions.

One writer spoke of it as "a crisis of world evolution ushering in a better world for posterity," another as "marking the end of the old and the beginning of a new era." An English statesman said that at the end there would be a new

Europe. A German-American writer thought that some of the reigning European dynasties would be shorn of their power and that the common people would rise to their own.

In this connection it is interesting to note that students of prophecy claimed that certain well-known prophecies were being fulfilled. And there certainly was some basis for the contention that the prophetic words of Christ of nation rising against nation, and kingdom against kingdom, with famines and earthquakes in divers places, had come true. A great world war of nation against nation was to be characteristic of the approaching "end the world," or, as others translate, "the end of the age." After this a new age, or era, was to begin. What the new era is to be is fully and completely described by Jesus in his description of what he designated as "the kingdom of heaven." This was a phrase, used by him, to designate a higher and superior civilization, a new age, era, or régime, which was to be established upon earth some time after a

great world war which now appears to have taken place.

While the new age, according to the Biblical description, is to be one of high moral and spiritual attainment, there is also to be great social and economic advancement. There is to be a better system of property tenure, a different basis of distributing the means of subsistence between the rich and poor, and a different system of wages. It is with the social and economic side of the new era, exclusively, that this work has to do, and whatever is herein set forth, it is maintained, has a sound Scriptural basis.

There are three fundamental principles underlying the economic side of the new era as found in the teachings of Christ and the Apostles' example. These principles are: a system of property tenure according to ability, or as ability is proved by earning capacity, according to earnings; a distribution of the means of subsistence according to needs; and the same, or an equal wage. In the following pages the reader will find a description of the new

economic system based upon these principles. A beginning of a more beneficent economic order has already been made in the passage of certain laws in different countries, which have been designated as "State Socialism." Some of these laws are good and in the direction of a better era. But others are not, and have so proved themselves. The economic system described in the following pages could be more appropriately called Christian Socialism because it is based upon and dominated by Christian principles. To be exact, it is Christian State Socialism.

It might be interesting, at the present time, to briefly examine these laws that have already been passed, before attempting a description of the new and more beneficent order which they portend. Many Christians have but little comprehension of the social scheme of Jesus as a whole, though the words by which it is set forth are almost as familiar as those of the Lord's Prayer. Others have heretofore regarded it as visionary, impractical, unsuited to our complex and diversified

modern life, and something to take place in the distant future. But it is our complex modern life, especially the wonderful development in recent years of what is known as modern business methods, that has made this scheme possible and practicable, and brought it near.

The most natural and easy method of presenting the subject has been to give a complete description of the new economic order first, and then the Scriptural passages upon which it is based. Hence, in chapters four to nineteen, the reader will find a new system of land tenure described, a new compulsory occupational law, a system of awards to take the place of inheritance, and a new system of wages. In order to give an adequate description of the new order and show its adaptability to various phases of diversified modern life, it is necessary to enter into considerable detail, such as Repairs and Maintenance of Properties, Cost to the Citizen and State, Provisions for Widows and Orphans, Retirement Privileges, Public and Private Improvements, &c., which it is hoped the

reader will not find too lengthy. In the twentieth and twenty-first chapters the Scriptural foundation of the new order is stated and explained, and in the concluding chapters a description is given of modern business methods, showing their growth, expansion and adaptability to the new social order.

CHAPTER I.

THE NEW ERA AND THE EUROPEAN WAR.

THE movement demanding the curtailment of the immense armament expenditures of the leading European nations made but little progress when the Great European War of 1914 broke forth. Bursting suddenly upon the world, and apparently without justifiable cause, it seemed that this greatest of wars could have been easily avoided. Many reasons and excuses have been given as to its causes, such as commercial jealousy, race antipathies, and territorial ambitions. But the deep, underlying cause was the spirit of militarism, the attempt to maintain the balance of power and rule the world by force of arms, which is contrary to the divine plan and the higher order of civilization which is to be established upon the earth. And it now seems that this

stupendous conflict, with all its horror and destruction, was inevitable and apparently necessary in order to exhaust and destroy the spirit of militarism, and thereby bring about an era of universal and lasting peace.

Though this most desirable of all objectives was not contemplated at the beginning, it was but the natural result of this, as it has been of other great wars. There is no doubt but that the experience of the Civil War, which was the greatest the world had known up to that time, was largely accountable for the pacific tendency in America. One of the most successful Union Generals said, "War is hell." If to the victor war is hell, to the defeated it must be worse than hell. In order to destroy militarism and the desire for war, only let there be enough of it. And the longer the war and the more nations engaged, the more complete its destruction and greater the assurance of universal and lasting peace. At least at its close, the prospect of this seemed to be one good result of the Great European War.

A cessation of hostilities was finally brought about by the Allies with the assistance of America. It was then that the great question, After the war, what? loomed large upon the horizon. The war had resulted in great unrest among the people of all European countries. There was an undercurrent of sentiment that a new era was dawning, and that vast changes were pending throughout the world. In fact, the war had not proceeded a month when thinking men of different countries, taking a philosophical view of the matter, began to feel and realize that this greatest of wars was not merely a war, but a great climax in the history of the world; that it marked the end of the old order of things, and would be the turning point for a new and grander dispensation for the human race.

Among the many opinions expressed was that of Lord Rosebery, who said that old Europe was disappearing, never to reappear again in its present shape; of Viscount Haldane, then Lord Chancellor of Great Britain, who said that a great

democratic and moral advance would result from the war. Also that of Woodrow Wilson, then President of the United States, who declared that great spiritual forces would exert themselves at the end of the war to enlighten the judgment and steady the spirit of mankind.

It is quite remarkable that while these secular views were being expressed by well-known statesmen of the world, there was an extraordinary consensus of opinion among Biblical students that this great war was to be identified with that described in the Gospels, which was to indicate the approaching end of what is known as the present or apostolic age, and the beginning of a higher and more beneficent dispensation. Bursting suddenly upon the nations and spreading like a mighty conflagration until, including the European countries actually engaged together with their colonies and dependencies, it held within its grasp the greater part of the world, the Scriptural prophecy seemed to be fulfilled: "And ye shall hear of wars and rumours of wars; see that ye

be not troubled : for these things must needs come to pass : but the end is not yet. For nation shall rise against nation, and kingdom against kingdom : and there shall be famines and earthquakes in divers places.' These were the words of Christ himself, and there never has been a time since their utterance in which nation rose against nation, and kingdom against kingdom, as in this war, accompanied by famines in the countries at war, as in Austria, Poland, Servia and Armenia, followed by great famines after the war, as in China and Russia. Then there were great earthquakes, as in Italy and Central America, and perilous times generally—great crime waves, lawlessness, disobedience, love of pleasure and of self, unrighteousness, and moral and spiritual depravity,—these were also to be characteristic of the end of the present age as prophesied by both Christ and the Apostle Paul, and such was the condition of the world in the first years after the war. The world was to grow worse and worse morally and spiritually until the time of

the change, when the new era, in its moral and spiritual aspect, was to be suddenly and quickly established. This is in accordance with the prophecies of Scripture, and the world is not to grow gradually better, as many expect.

But let us turn to the economic and political side of the new era and note the changes that have already taken place. First to be noticed is the Commandeering Bill passed by the British Parliament in March, 1915. This was a very drastic and highly socialistic measure, and as one writer stated it, gave the Government absolute power to take over and conduct the whole or part of the industry of Great Britain. The newspapers were swift to see the profound change which this law wrought in British conditions. The *Daily Express* asserted that "The new Bill is, of course, State Socialism. That must be accepted." Other countries soon followed with State Socialistic Laws of similar character—Germany, France, the United States, and all other countries at war. Many industries, as well as Railroads,

Ship Building, Food Supplies, Fuel, were taken over, regulated, controlled, and in some instances conducted by the Government. In some countries compulsory labour laws were passed and other laws containing state socialistic principles were put into effect. Many of these laws, however, were temporary war measures, and therefore were repealed, in most countries, a short time after the war. But though repealed, their effect still remained in the unrest caused by them among many people, especially working men, who demanded their continuation in some form or another. Other of these laws were permanent in character and destined to remain.

First among permanent measures hastened and brought to a quick realization by the war were Woman Suffrage and Prohibition. The first is a political, while the second is a state socialistic measure, for State Socialism, through the instrumentality of the State, strives for the highest economic good of every citizen, including each individual man, woman

and child. The use of intoxicants is detrimental to the highest economic good of both the citizen and the State. It is a great national waste and often obliterates the earning capacity of the citizen, and greatly affects the economic welfare of his wife and children. It produces more poverty than any one cause, and if poverty is to be banished, so must the use of intoxicants.

What is more, the savings derived from Prohibition would, with the proposals hereinafter made, easily pay the war indemnities and reparations of the defeated nations.

There was no question but that Woman Suffrage was to remain, while complete Prohibition, adopted in the United States, was destined to make its way throughout the rest of the world. It is bound to succeed because it is both economically and morally right. The law was satisfactory throughout a large part of the United States, beneficial in many respects, and well enforced, except in a few of the larger cities. Even in these drunkenness

had, comparatively speaking, ceased, much poverty was banished, and the economic condition of the poorer classes greatly improved. In adopting Prohibition, the Government should compensate those citizens engaged in the liquor trade for the actual loss and damages incurred. The State should not deprive any of its citizens from engaging in a business, or making a livelihood, without due compensation. This could be accomplished by issuing to such citizens certificates of credit for the loss or damage incurred, which, under State Socialism, would be capital with which to engage in other business. In the United States, however, much of the loss and damage caused by the adoption of Prohibition was temporary in character, as the citizen damaged was generally able to use his property for other purposes and he himself engage in other business.

To the new and more beneficent era established after the war, one country contributed one thing, while other countries contributed other things. The contribu-

tion of the United States was Prohibition, and the example of her political democracy which was followed, more or less closely, by a number of European States in establishing democratic forms of government for themselves. But while America was making these contributions to the new world order, other nations, England, Germany, Austria and other European States were making a greater struggle for economic democracy,—for greater social justice and equality of opportunity for all the people—and these were their contributions to the new order.

Among permanent measures contributed by England to the new era was "the unemployment wage," a law passed in that country soon after the war, under which the Government paid a certain wage to its citizens who were unable to find employment. While this law was complained of as being costly to the country, and that citizens preferred to remain in idleness rather than go to work as long as they could get something from the Government, yet it was a law in the right direc-

tion. It is one of the principles of State Socialism that the State must furnish the citizen employment, if he cannot obtain it for himself, and if it cannot furnish him employment, pay him a wage. But in carrying out this law, the State should never let itself get in the position that it is obliged to pay the citizen a wage, without obtaining its equivalent in work. It should provide employment for its citizens who are not able to find work in ordinary pursuits, especially in times of industrial depression, in public works such as the building of roads in country districts, and in the building and repairing of streets, sewers, &c., in cities. In all cities there is enough street repairing badly needed, and in country districts, roads, ditches, &c., to furnish employment for those unable to find it for themselves. Such work should be planned and provided for in advance, and should be manual rather than machine work. The wage should not be as high as in private occupations, so as to influence the citizen to seek employment of his own in private pursuits, as

soon as possible. In times of financial and industrial depression, scarcity of work, or food, the unemployment wage is a means of supplying many citizens with the necessities of life and keeping them from suffering and want.

But the question might be raised that in some countries there are always so many unemployed that the State could not find work for all, nor pay the wage in case it failed to furnish the work. This raises the question of over-population, which, sooner or later, must be faced by the world. Many countries contain more people than can obtain a comfortable and substantial living in them. India and China contain four times, and Japan three times as many people as they can well support. Because of over-population there are millions in India who are constantly hungry and who have never known what it is to have sufficient food. Over-population not only brings the people of a country to a low living level, but has been the cause of many of the wars and other troubles of the world. Over-populated

Japan is still increasing at the rate of six hundred thousand per year, much to the economic and social detriment of her own people and the disturbance of other countries where her surplus population seek a footing. England, Germany, Austria, Italy and other European countries are over-populated, though not to the extent of Japan. This was quite evident before the war, and is still so, notwithstanding the heavy toll of the war.

No country should contain more people than it can comfortably and substantially support at all times. If the birth-rate of India could be reduced one half, so that by the end of the present generation the country contained one half as many people as now, all the people would fare twice as well as at present. If England, Germany, Austria, Italy and other European countries would reduce their population to the same proportion as that of the United States, their people would fare as well as those of the United States. A farmer having so many acres of pasture and enough feed to raise a certain number of

cattle, will not be so foolish as to try to raise twice the number. But people continue to increase regardless of the means of subsistence. In times past Governments encouraged increase of population because it furnished soldiers for war, and certain religionists now favour it because it is a means of increasing their followers. But wars having ceased and being no longer a means of disposing of surplus population, the world will have to adopt other means to keep population in bounds. At present, Australia is calling for the surplus population of England. Let the vacant places of the world be filled, and at the same time, the birth-rate in over-populated countries reduced; not that any life once conceived should be destroyed, but there are natural and harmless methods of birth control which should be known by reputable physicians and be imparted to such people and at such times as is best. Over-population is a vital subject and closely related to State Socialism, which strives for the highest economic good of all people, and which good is

difficult of attainment in over-populated countries.

Another permanent measure arising out of the war was the income tax, amplified and enlarged to a degree that would have been very unlikely had it not been for the war. All countries adopted elaborate systems of income taxes, made necessary to pay war expenses and debts. Even in the United States, which before had no income tax, the rate ran as high as 67 per cent. on the largest incomes. All citizens whose incomes were above a certain amount were required to render an account of their earning to the Government. And this is what State Socialism is. Its foundation is a complete and perfect system of income taxes which requires every citizen to render an account of his earnings, not only for the ordinary support of Government, but also for the purpose of effecting a more equitable distribution of earnings between the rich and the poor, between those able to earn large, and those able to earn only small incomes.

CHAPTER II.

PERIOD OF DARKNESS AND UNCERTAINTY BEFORE BIRTH OF THE NEW ERA.

So much for what appeared to be permanent in character the first years after the war. But outside this, it did not yet appear what would be. This period in the world's history might be likened to a very similar period in American history, from 1781 to 1789, following the American Revolution, and before the Constitution was adopted. During this period, conditions were in a very confused and chaotic state in America and it did not yet appear what would be. It seemed to Washington and others as if the whole fabric of the Union would go to pieces, and the country, in distraction and helplessness, discredit free government and its own principles in the eyes of mankind. The States were envious of one another and passed dis-

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criminating laws against each other. There was actual danger of civil war between States and open rebellion did occur in one of them. So confused and chaotic were conditions that the people were compelled of necessity to do something. The American Constitution was the result.

So in the period following the World War, there were confused and chaotic conditions, especially in England, Germany, Austria, Italy, Russia and other European countries. In Russia the situation reached an extreme, the old economic and political order being completely overthrown, with industry paralysed and a condition of chaos that defied description. In England, Germany, Italy, Austria there were great strikes and otherwise chaotic conditions, with great anxiety and uncertainty as to the future. But as in America during the Revolutionary War and the period following, the people learned valuable lessons of government in the successes and failures of the Continental Congress and the Articles of Confederation which attempted to govern the country during that time, so

also during the World War and the period following thereafter the people learned valuable lessons from the successes and failures of the new economic laws put into effect in different countries.

One thing apparent beyond question was that Marxian Socialism, or Bolshevism, as put into effect in Russia, was a failure. And principles of that socialism which advocated working men's, or Government control of industry, railroads, &c., as tried in several countries during the war, also proved failures, resulting in much additional expense and greater inefficiency in the industries so conducted.

Neither Russia, nor Bolshevism, could be looked to, then, for an example of what the new economic order was to be. In fact, there was in Russia neither socialism nor democracy in any true sense of the words. What Russia possessed was a dictatorship upon the part of the proletariat—"Czarism upside down," as it has been very aptly described—an autocracy and despotism on the part of the common

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people, far worse than the despotism of the Czar. Socialism in its best sense means the peaceful and orderly exercise of government, industry, and the whole economic life of the nation. But in Russia there was anything but this. In fact, so unstable and chaotic were conditions in Russia for a time, it was a question whether democratic forces would prevail, and if they should prevail, whether the country was capable of a democratic Government, and especially of an advanced democracy, such as State Socialism, which would require a strong stable Government, and a well-educated, self-disciplined and law-abiding citizenship. The people of Russia needed not merely to get away from Bolshevism. They needed training and intensified education to make them capable, as soon as possible, of the new democracy.

On account of her well-educated and disciplined citizenship, Germany was, perhaps, the most capable of all nations for successfully undertaking the higher democracy. She should have been the first of

countries to adopt and give to the world practical demonstration of the desirability of State Socialism, for through it only could she hope to obtain relief from the great war debts and indemnities that were crushing her as a nation and a people. But for several years after the war there were chaotic and confused conditions which retarded her for some time from entering the new era.

All was not so well, either, in other countries. In England a great strike arose over the question of nationalizing the coal mines, while in Italy the workmen demanded a voice and control in the management of Industry. All countries were burdened with gigantic war debts which oppressed the people with burdensome taxes, depreciated currency, added to the cost of living, and prevented international trade. The world could not return to normal conditions with these tremendous debts hanging over it, and it would require years and years to pay them. Yet they could not be repudiated. State Socialism offered relief from these great debts with-

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out repudiation, as under it, at the death of each citizen, all property possessed by him reverts to the State, to be awarded other citizens according to ability and merit, instead of the old law of inheritance. A debt or obligation of the State itself, not being subject to award, thereby became extinguished. It will thus be seen that, under State Socialism, all that would be necessary for the State would be to pay the interest on its war debts to the individual holders of the Government bonds representing these debts during their lifetime, that the extinguishment of the debts would commence at once, and be completed by the time all the present bondholders shall have passed away. In case of bonds held by banks, corporations, &c., the stock of such banks, &c., should be awarded subject to the payment by the awardee of a proportional amount of such bonds.

This, of course, does not provide for the extinguishment of debts owing one nation to another. The payment of war damages and reparations is a heavy financial and

economic burden upon those countries owing them, and seriously affects the trade of the world. Many are of the opinion that world trade can never return to normal conditions until there is some relief from these payments. Now, if under State Socialism, the United States could relieve itself of its war debts in one generation, it could easily afford to remit the war debts owing it by its Allies. And if these Allies could thus be relieved of the war debts they owe the United States and their own internal war debts as well, they could easily afford to remit a considerable proportion of the war damages and reparations owing by the defeated nations. The savings to be derived from Prohibition would easily take care of the balance of the reparations due, and by these means the entire world would be relieved of its tremendous war debts in a comparatively short time.

The world is becoming burdened with debt more and more each year. This is especially true in the United States, where the building of roads, streets, schools and

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other public improvements are constantly adding to the public debt. These improvements should be made. But each generation should take care of its own improvements and not have their cost added to the ever-increasing public debt. Under State Socialism, many of these improvements for which bonds are issued could be made by the State in giving work to those citizens to whom it is obliged to pay an unemployment wage, and under the compulsory labour law which provides that all able citizens shall work, or be employed.

Then there was the great burden of private debt, which was increased enormously among American farmers in the agricultural depression that followed the war. Thousands of American farmers were bankrupt, and many more became burdened with debts from which they will never be relieved. This agricultural depression was world-wide, caused by a fall in the price of farm products because the purchasing power of so many European countries, whose people were much in need of farm products, was much cur-

tailed from the debt burdens and economic disturbances arising out of the war. Another cause was the continuance on the part of labour of wages comparatively high as to the price of farm products, so that everything the farmer had to buy being high, and everything he had to sell low, farming became unprofitable and generally conducted at a loss. There can be no permanent prosperity in any country where such a condition exists. To remedy the situation was the question. In America, credit legislation was passed by the Government, but what was needed most was not more credit, but a profitable price for farm products.

There were two methods by which this could be accomplished: first, a reduction in wages, so that what the farmer had to buy would be in harmony with what he had to sell. But the labouring man being much opposed to this, and apparently able to maintain his opposition, there remained the second method: raising the price of farm products to a parity with wages. This could be accomplished to a consider-

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able extent by restoration of the purchasing power of those people in European countries, much in need of food products, by relief from the great burden of national and international debts.

It was both right and honourable for the British Government to acknowledge and make arrangements to pay its war debt to the United States. But it would have been far more profitable for the United States to have remitted the whole debt, for the money could then be used for the purchase of food, thereby creating a better market for food products. And if the same could be done with all international debts, the hungry people of the world would be fed and farming restored to a more profitable basis. America should release the whole of the debt owing it. England is ready to follow suit, and France has stated that she will reduce reparations if this be done. This would go a long way towards the extinguishment of the international war debts, and until they are extinguished the financial stability of Europe cannot be restored, or the world return to its former

status of international trade. The world should be freed of both the great national and international debts under the methods above set forth, which would not be repudiation, so that the money now going to bond holders could be diverted, under the principles of State Socialism, for the use and benefit of all the people. A world free of debt should be the aim of all peoples—freedom from all debts except those naturally arising from the carrying on of business, industry, agriculture, development, improvements, &c., which would be the case under State Socialism. Yes, the world should be free of debt. As a business proposition it would pay America well to release the whole of the foreign war debt owing her. At the end of fifty years she would be better off in money in the additional trade obtained for her farm products during these years, and the farmer would be helped out of his predicament.

If this should not restore the farmer to complete parity with labour as regards the price of farm products and wages, then

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there should be concessions on the part of labour as regards wages and on the part of all others on an income basis comparatively higher than the farmer. When financial stability is restored throughout the world, it will probably be found that labour, in many countries, is upon a higher income basis than the farmer; for labour, through organization, is able to demand and obtain a high wage, while the products of the farmer are sold in a world market, subject to the laws of supply and demand, and at such prices as he can get, irrespective of the cost of production. But farming was profitable before the war. This was because wages and other prices and costs were in harmony with the price of farm products.

If concessions are not made to the farmer, the only way he can protect himself is to curtail production. This has already been done in a few lines. But it would be a very serious condition for the world to be generally adopted, for the seasons are uncertain, and crop failures take place from this cause some years

without designing curtailment; whereas the world needs to produce all it can and have a reserve supply of food on hand for unproductive years. India, Russia, China and other countries have famines because they have no reserve food supplies kept over from year to year. If the farmers of the United States, England and other countries should curtail production—and this will happen, either intentionally or without design, if the farmer is not relieved from his situation—there will be danger of famines in these countries also in years of crop failures. Thus, it is quite necessary that concessions should be made the farmer by all others upon a higher income basis than he. The price of farm products should be taken as the basic line by which wages and all other prices should be adjusted each year, for it is the basic industry and the greatest producer of new wealth, and there should be an equality of prices, wages, profits, rents and living costs among all classes and concessions on the part of any one class when necessary to this end. The world will not

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get along well, nor prosper well, or permanently, until such becomes the case.

But instead of such concessions, labour demanded still higher wages when farming was at its worst, and the world was much disturbed and democracy considerably threatened in all countries by contentions among classes and attempts to obtain class advantage by legislative control. This was true in America and to a larger extent in European countries. Organized labour in the United States not only took a firm stand against any reduction of its comparatively high wages, but went still further, and announced that it would endeavour to elect legislators favourable to its interests, and by controlling legislation, compel the country to adopt its programme. While the programme of organized labour contains many good and excellent things for the labouring man, it does not give sufficient consideration to the farmer, or to any other class outside itself. Such is always the case with class programmes and all attempts to better conditions by class betterment and advance-

ment. This caused the American farmer to organize and combine in his own behalf as much as was possible among so large and scattered a class, with the determination to elect to office candidates favourable to his interests and pass laws in his behalf.

There could only be one result of such a contention between classes—a congress, one portion of whose members represented labour, another farmers, and still others something else, each class endeavouring to obtain advantage for itself and to rule the country and to dominate its business and industries according to its policies. The farmers were not long in establishing themselves in what was known as “the agriculture bloc” in Congress. Labour also made strenuous efforts to obtain class control of Congress in its behalf. And if this contention between the classes should continue, there was danger of the democracy of America, which had been the world’s bright beacon light, the best and most notable example of a government by the people, degenerating into a mere struggle between classes. The best of

democracies could easily so degenerate, and this was the great danger to democracy in the years following the war. There should be no class legislation of any kind, nor attempts upon the part of any one class to obtain legislation favourable to itself to the detriment of the rest of the people. There has already been too much of this, and that already obtained should be corrected.

Up to within recent years America has been remarkably free from class struggle. One of the main objects of the Revolutionary War, the Declaration of Independence and the Constitution, was the avoidance of class distinction and class advantage of all kinds. The class distinctions to be avoided then were political and social; now, they are economic,—just as undesirable and dangerous to the country's democracy as the political and social.

In England the situation was, if anything, still worse so far as the danger of class legislation and control was concerned. The labour unions there became

strong and powerful, and obtained an undue economic advantage over the educated middle class, which could scarcely live under the changed conditions, and which was threatened with extinction as a class, while the farmer was also at a great economic disadvantage. It appeared to be only a question of time until labour would control the Government and the country, and this would be a very critical time for the nation unless her labour leaders were men of wisdom with broad statesmenlike views, able to see the interests of other classes, as well as their own. This is very difficult for men striving for the interests, the betterment and domination of one class of the people. There can be no true democracy if there is domination by any one class, be it labouring man, capitalist, or farmer.

CHAPTER III.

THE NEED OF CHRISTIANITY.

WITH a struggle of class against class, unstable and chaotic conditions in many countries, and the enmity, strife and hatred between nations that still persisted after the war, the world made little progress at first toward that better era to which it was destined. One very potent factor was absent, the one thing more than any other that could heal the wounds of the war, stop the enmity and hatred between nations and solve the contentions between classes—religion—the practical application of the principles of Christianity to the things that were disturbing and disrupting the world. Had the nations been Christian and their rulers and statesmen practised Christian principles, there would have been no war. Were it Christian now, and practised

Christian principles, its ills would soon end. And it is likely they will not end until the nations become such. Christian principles need to be applied not only as between nations, but also in the contentions between classes, the struggle between capital and labour, the farmer and labourer, and other problems disturbing the world. Parts of the Old Testament are replete with stories of wars. But in accordance with the teachings of Christ and the New Testament, there would be no wars at all. Suppose the Christian principles "Love your enemy," "Forgive those that wrong and persecute you," were adopted by France toward Germany and between the other European countries among which there is enmity and hate; and suppose Germany should adopt the Christian principle of acknowledging any wrong it has done France with the earnest and sincere endeavour to repair that wrong and the injury done, as much as is within her power,—How long would the contentions between these and other nations last? And suppose the Christian

principles of "Do unto others as you would have them do unto you," and "Love your neighbour as yourself," were applied in the contentions between classes,—How long would the contentions last?

But the application of these principles are impossible in the present religious condition of the world. The great and all-potent ameliorative of spiritual power is absent from the world on account of the widespread unbelief and scepticism in things religious. So much time has been spent by sceptical and critical minds in theorizing and doubting things hard to believe in the Scriptures, that the great spiritual power therein set forth is lost to the world. Doubt regarding unimportant and inconsequential things has obscured this great spiritual power, for what can be of consequence as compared with its loss to the world? Yet, lost it is on this account, as though it had never existed. But exist it does, the greatest and most powerful force there is, capable of healing the lives of men and the wounds of nations. When Peter said to the invalid

at the door of the Temple, "Arise, and take up thy bed and walk," he was endued with that power, strong enough to strike a man down as with lightning, as it did Saul of Tarsus on the way to Damascus. And this same force exists to-day, just as potent and powerful as ever, but obscured and rendered impotent by scepticism and unbelief, for it has the peculiar quality of becoming powerful upon faith and belief, and of being rendered impotent by scepticism and unbelief. On the other hand, a man's belief is almost always in accordance with the amount of spiritual force with which he has been seized. The one is usually the gauge of the other. The sceptic, whether he be in pulpit, professor's chair, or out-and-out atheist, is one who has come in very little contact with this force, or not at all. The man who has been really seized by this force is troubled little with doubts and unbeliefs. They are of little consequence to him.

The Scriptures constantly call for much faith and belief. This is what keeps the spiritual force alive in man, and is the basis

upon which it works in the lives of men. Why, then, should not the Scriptures constantly cultivate and call for the exercise of this faculty of the mind? God, the supernatural, is able to do what man cannot. Man must so believe. There would be no need of God if this were not so. The working of the spiritual force in man, through faith and belief, accomplishes what is impossible and improbable in man's own strength and power. For illustration: it can take a man in the lowest depths of degradation, one who is a confirmed criminal and drunkard, overwhelmed and in the grip of these overmastering vices, seized with a hatred of his gentle and innocent wife, with a constant desire to murder both her and his little child,—it can take such a man and in an instant remove the desire to commit crime, to drink, to murder, completely change him, and make of him a loving and tender husband and father. In his book entitled "Twice Born Men," Harold Begbie has rendered a great service to the cause of Christianity in giving proof that a great

and potent spiritual force still exists; that this force is a fact, as distinguished from a theory, speculation, or belief in the mind of a theologian or sceptic; that its effects in the lives of men can be known and seen just as much as the effects of certain medicines are known and seen in curing certain diseases, and cannot be denied or disputed any more than the effects of medicines can be disputed. It is the best answer to the speculators, doubters and unbelievers that has been produced.

While these stories depict the power of the spiritual in redeeming the lives of men who had sank to the lowest depths in the slums of London, we have but to remind ourselves that some of the world's greatest men have felt themselves in need of and have availed themselves of this power in some of the crises of the world. Washington prayed in Valley Forge for the needs of the Continental army and the cause of the colonists. Lincoln, the great American, a believer in God and a deeply spiritual man, when the war was going strongly against the Union, made a coven-

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ant with God, that if victory be given the Union forces in the next battle, which was Antietam, he would free the slaves. The victory was given and the slaves were freed. When the French and allied armies were pressed hardest in the world war and the outcome seemed darkest and most threatening, General Foch resorted daily to a little French chapel for prayer. Who can say how much this had to do with winning the war? These men must have gotten in touch with a real power that strengthened and carried them through the great crises through which they passed. It certainly was not imaginary. Men of such unquestioned wisdom and judgment could not be so deceived and fooled.

And this same spiritual force, so powerful and effective in the lives of men, possesses great power as a collective force in shaping the affairs of nations and as between nation and nation. The world was very much in need of this force in the dark and disturbing days that followed the Great War. President Harding of the

United States recognized this fact when he stated in a public address : " I tell you, my countrymen, the world needs more of Christ; the world needs the spirit of the Man of Nazareth. If we could bring into the relationships of humanity, among ourselves and the nations of the earth, the brotherhood that was taught by the Christ, we would have a restored world; we would have little or none of war, and we would have a new hope for humanity throughout the globe."

The Scriptures call for much faith and belief—belief in the impossible, belief in the improbable. But faith and belief are far better for the world than scepticism and doubt, which lead to pessimism and stop progress. Faith and belief were behind the advancement, betterment and progress of the world in times past, not scepticism and doubt, which never accomplished anything. The faith and belief of Columbus discovered a new world and made him the world's greatest material benefactor, while the unbelieving scientific men of his day ridiculed his ideas, and

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would have kept the world where it was. Faith and belief are much needed in the world to-day,—especially in stricken European countries—belief that God still rules and that He is going to bring to pass His reign in the world, and that out of the present confused and chaotic conditions. The spiritual force, so much absent in war-torn and devastated Europe, is much needed to heal the wounds of war, the contentions between classes and the hatred between nations. And when the peoples of the world become seized of this power, the impossible will happen—there will be love for the enemy, forgiveness for them who wronged and persecuted, a desire to right wrongs and injuries done others. Then will there be peace, with no need of armies, and no fear between nations.

CHAPTER IV.

A NEW SYSTEM OF LAND TENURE.

UPON the principle of government ownership, a new system of land tenure was formulated by the Parliamentary commission and put into successful operation in Equaland.* While the old system was a great advance over that of feudalism which it succeeded, yet it had been far from satisfactory, and much criticism was made of it in the years preceding the war. It was generally admitted that the land was the basis of wealth, and that all industries and lines of business were dependent upon what the land produced. Furthermore, all life rested upon and was sustained by the productivity of the soil. The land being the basis of wealth and the source of man's sustenance, it followed that, in order to have a more equitable distribution of wealth and the means of

* This term, Equaland, has been used because all its citizens, women as well as men, have both political and economic equality. See Chapter IX, p. 106

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subsistence, there should be as free and easy access to the land as possible. As long as a nation is able to give its citizens free and easy access to its land, it will have little poverty, and all its citizens will fare well. But wherever a large portion of the citizens of any country is denied easy access to the land from any cause, pauperism prevails and national degeneracy and decay exist.

England had always been a country of large estates, most of the land being owned by a small portion of the population. The land was high priced, was seldom for sale, and generally remained in the same family from one generation to another. The land having been difficult to obtain, a large part of the people were denied access to it. Those that did have access to it, outside the few owners, were renters and labourers. All those citizens seeking the independence and material welfare to be derived from the ownership or control of land, have been obliged for the last two hundred years to leave England for other countries such as America, Australia, Canada and

South Africa, which afforded freer and easier access to the land. A large portion of those unable to leave the country, the less capable, less competent and desirable part of the population, was collected in the towns and cities, sinking deeper into pauperism and degeneracy every year, and becoming a menace to the nation. Such were the conditions at the beginning of the war.

On the other hand, the land of France was divided into small farms which gave a large number access to it. There was not the extent of poverty in France there was in England. It was one of the wealthiest countries in the world, the basis of its wealth being its farms, and all the people fared comparatively well. It was quite likely, with the idea in view of correcting this fatal defect of high-priced and unaccessible lands in England, that British labour, during the war, passed a resolution demanding "nationalization of the land," while the Parliamentary reconstruction land committee recommended a change as to the use of idle lands of the nobility.

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For the last two hundred years, what is now the United States had afforded free and easy access to the soil to its own and to the citizens of other countries. But nearly all the public lands having been taken, and there having been but a comparatively small amount thrown open to settlement within the last twenty-five years, pauperism has rapidly developed in America within this period. As long as there was plenty of land open to settlement or to be had at a low price, there existed little or no poverty in the country. But this condition no longer existing and the land formerly taken being now high priced and beyond the reach of a large number of citizens, they thus no longer have free and easy access to it. And as the population of the country increases and the land becomes still higher priced, the number denied easy access to it will increase. The great majority of these will become dependent renters, common labourers, the owners of little if any property, while the less competent and capable will sink into pauperism in which

there are already ten millions in the United States.

The old system of land tenure was brought to America from Europe and became firmly established in the country at the time of the Revolution. While a great political advance was attained through the American Constitution, there was little or no improvement made in the system of property tenure. Conditions at the time of the early settlement of the country and the adoption of the Constitution did not demand any change in this respect. There was nothing like the pauperism and severe struggle for existence there is to-day. The early settlers did not leave Europe to avoid poverty, but to escape religious persecution. The new country was so vast, great portions of it being still unexplored and unknown, the amount of land so much and almost without limit, that the time when all would be taken could scarcely be conceived. But the time came when conditions were different even in America. Its vast extent of territory was finally taken. There no longer was easy access to the

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land, and the results turned out the same as in European countries. The wealth of the country was collected into a few hands, while the many owned little or nothing.

In the Middle States land which had been given away or sold at the low price of five shillings per acre increased in value two or three hundred times, and was worth forty to sixty pounds per acre. That there had been immense frauds committed under the land laws in the taking of large tracts for grazing, timber and mineral purposes, and in the seizing of important water sites, was well known. In more recent years, the country was treated to the spectacle of a free-for-all race in the opening of certain Indian Reservations to settlement. Upon the border of the lands to be opened, thousands of people gathered with every kind of vehicle and means of travel imaginable. Each claim was to be given to the one who reached it first. The boom of cannon was the signal for the start, whereupon the people rushed pell-mell over the fields for

the rich prizes of fine farm lands and valuable town sites. Other lands have been disposed of by means of a grand lottery, free tickets given to the people, and the nation's heritage disposed of by chance. Thus, what in the beginning was intended to give everyone a free or low-priced home, became permeated with fraud and degenerated into a free-for-all race, or a drawing by chance.

The question was raised, Why give away the land at all? Why give away the land any more than any other part of the national wealth? Suppose two million pounds were to be taken from the United States treasury to be disposed of by chance. Or suppose this money secretly located in different parts of a large field in amounts of four or six hundred pounds, with one or two capital prizes of ten or twenty thousand pounds. And suppose it were made known that upon a certain day there was to be a great free-for-all race for these prizes. Every citizen who desired could participate and choose his own means or method of making the race. All

would be held on the starting line until a certain time when the boom of cannon would give the signal for the start. The people of the country would not have tolerated anything of the kind for a single moment. Yet the land was just as much a part of the common wealth as the money in the national treasury. In fact, the land constitutes the largest part of the wealth in the United States and other countries. To give it away, or to dispose of it in any manner, is to part with that which is the chief source of wealth belonging to all the people.

The title to all land originates with or is derived from the State, or the king, emperor, or other ruler who represents the State. Such being the case, instead of giving away or disposing of the land, what would be more natural and simple than to let the title remain in the State? It was a recognition of this principle, influenced, no doubt, by the great land frauds and the exploitation by powerful interests of its great natural resources, that led the United States to adopt a

system of land tenure based upon this principle in Alaska. And the same principle is the foundation of the system formulated by the Parliamentary commission and put into successful operation in Africa. Under this system, the title of all land remains in the State or a subdivision of it, for the use and benefit of all the people. Free and easy access to the land is thus secured for all time, whereas the old system afforded it only in the settlement and development of new countries while there was still plenty of cheap or free public lands to be had.

Every citizen does not have access to the land to go upon and cultivate it whenever he pleases. The State gives the citizen a certain possessory right or title, by means of which the citizen becomes the trustee or agent of the State to cultivate the land. Though the trustee for the State, the citizen is his own master and manager. He is not controlled or directed by the State, and is given as much independence and control of the land as an independent owner. His title is fully protected and safeguarded by

law. It may be sold, bought, or otherwise disposed of, but is not subject to inheritance. His children are otherwise provided for, and if old enough, take title direct from the State, which places them on an equality with all other citizens.

The chief objection to the old system of property tenure, and that feature of it which caused the collection of the wealth of the country in the hands of the few, with little or no ownership and poverty on the part of the many, was the right of inheritance. By means of it wealth was preserved and kept intact in the same family from one generation to another. Large fortunes were thus accumulated, because wealth possesses the inherent power of adding to itself. As a result, those who possessed no ability or merit, who rendered no service to society, were permitted to exact a toll from society for the sole reason that they happened to be rich men's heirs. No one should be permitted to reap anything from society except through his own ability, according to his own merit, and in return for his

own services rendered to society. There being no right of inheritance in Equaland, every citizen is upon this basis. Since the ultimate title to all property, both real and personal, is in the State, upon the death of the citizen who has had control of it, the property reverts to the State to be awarded to other citizens according to ability and merit.

There should be no distinction between real and personal property. Both should be treated alike under the law. Large fortunes are made in personal as well as in real property. In fact, some of the largest fortunes in America have been made almost entirely in personal property. So much of the business of all countries is organized into corporations, the stocks of which are personal property, that if the accumulation of wealth in the hands of descendants is to be prevented, the law of inheritance must apply to personal as well as real property.

As the title to all property is in the State, we have complete government ownership of every kind and class of property, the

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citizen's personal effects excepted. And as all property belongs to the State, every citizen engaged in any kind of business, occupation or employment is theoretically and legally the trustee, agent or employee of the State. This is State Socialism in its fullest sense, for out of this relationship the State does many things for the citizen it would not otherwise do. This relationship of trust and trustee, or employer and employee, covers every occupation and calling in life. Practically, every citizen is his own independent master, conducting his business or employment as he sees fit, without any control or direction on the part of the State, doing the best he can for himself and in free and open competition with his fellow-man. All kinds of business, including farming and the employment of labour, are conducted along the same lines and upon the same principles as in other countries. The law of supply and demand regulates prices and controls wages. There is the same rivalry and competition in all occupations, each citizen trying to succeed, to do the best and obtain

the most for himself. But back of all this is the relationship of trustee, agent or employee, which, while it leaves each citizen free and independent to act for himself, makes a great difference in the condition of the people as a whole.

CHAPTER V.

THE HOUSING SYSTEM AS APPLIED TO CITY PROPERTIES.

It is necessary to explain that British East Africa is composed of a number of States or Provinces, each Province being made up of a certain number of Districts. A District corresponds in size and population to a county, parish or shire in other countries, and contains from 20,000 to 50,000 inhabitants, in the agricultural sections, to 100,000 or more population in the urban sections. The District is the unit by which the system is administered, though it is further divided into Sub-Districts for certain working purposes. In agricultural sections a Sub-District corresponds to a Township, from six to eight miles square containing from 400 to 800 population, and in cities to a ward containing from 1,000 to 10,000 population. Some of the largest cities cover an entire

District, being subdivided into Sub-districts according to size. The ultimate title of all property within its borders is in the District for the use and benefit of all its citizens.

The first question raised by most visitors to this country is, "The title of all property being in the District, on what basis does the District give the use and occupancy of its property to the citizen?" There is as much difference as to the amount of property under the control and possession of different citizens as in any other country. There are farms of all kinds and sizes on which are buildings of different sizes and values. In the towns and cities the houses range in size from four or five-room cottages worth from £200 to £240 occupied by the common working man, up to the costly and palatial homes of the most successful business men. One also sees the widest possible difference in the amount of property in the possession of citizens for business purposes, from the small storekeeper possessing but a few pounds' worth of stock, up to the great

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stores, or manufacturing plants, possessing capital of hundreds of thousands of pounds.

The basic principles underlying the distribution of the District's property among its citizens are simple. The first factor is the amount of the citizens' earnings for the District. Let us first examine the housing system, different from anything found in any other country, and which secures a home to every family, no matter how poor or humble.

In other countries a large portion of the working man's wages, ranging from 25 per cent. to $33\frac{1}{3}$ per cent., is consumed in rent. This is a constant and ever-increasing burden. But in this country there are no landlords standing between the citizen and his home. The District itself furnishes each citizen with a home, in many instances with no rental whatever, and which is to all intents and purposes a home belonging to and owned by the citizen.

Since the housing system is based largely, though not altogether, upon the

amount of the citizen's earning for the District, each head of a family is given for home purposes the property use of three times the amount of his annual earnings, based upon a five-year average. Two-thirds of this amount, or twice the annual earnings, is for the home itself, consisting of house and lot, flat or apartment, and one-third is for personal property, such as household goods, furnishings, &c. This amount secures a good and substantial home to every citizen in accordance with his position and station in life—to the citizen earning £100 per year a property worth £200 and £100 for furnishings, and to the citizen earning £200 per year a property worth £400 and £200 for furnishings. If the citizen so desires, a larger proportion can be used for the house and lot, and a less amount in personal property. The amount of personal property, however, is limited to one-third the whole except when used for business or earning purposes.

In providing each householder with a home, the value of both the lot and house

is taken into consideration. How are the values of properties ascertained? It is quite necessary that there be a just and equitable method of originating and maintaining the values of properties between citizens, and between the citizen and the District. Let us first illustrate how values originate. Take a householder who has been earning £200 per year for five years, who thereby becomes entitled to a property worth £400. If there is a property of this value vacant in the Sub-district in which he resides, he must accept it, and if not satisfactory, await a chance to better himself. But if there is no property of this value vacant, and it becomes necessary to build, the citizen selects a lot which is awarded him in competition with bids from other citizens and in accordance with what other lots have been taken at in the vicinity. In starting new towns and in new additions to old towns, if there is a good demand and necessity for more houses, public auctions are held, and the lots disposed of to the highest bidders. Lot values thus originate.

Suppose in the case above that the citizen is awarded the lot at the sum of £80. He is given a deed of possession giving him the exclusive right and title as against all other citizens, but the real title or fee simple, however, remains in the District. This leaves £320 for the construction of the house, which amount is placed to his credit at his bank, designated "house fund." He selects his own architect, contractor and workmen. He has the house constructed and pays for it by drawing upon the £320 which can be drawn upon for this purpose only. He furnishes the District duplicate receipts covering all his transactions, including the payment of the money. The money once paid out cannot come back to him, as it must be accounted for by the recipients, and goes to make up their earnings as agents or trustees of the District. The citizen thus has every incentive and interest to see that he receives the most for his expenditures, the same as if the money were his own.

The citizen has had the house constructed and not the District. In return

for his time and trouble he obtains a house according to his ideas and to suit him. It is stamped with his character and individuality. Those who do not like the trouble of building must await their chances with houses already constructed.

In the next five years this citizen may increase his earnings to £300 per annum. He would then be entitled to a property of the value of £600. If he prefers to remain in the same property he is allowed £200 for improvements or enlargement. Thus the citizen may retain the same property a lifetime, if he so desires.

Plans for all new houses and enlargements must be obtained from, or be submitted to, a public architect for an estimation as to cost, and in order that they may be as sanitary, convenient and comfortable as possible. The house belongs to the public, while the citizen who builds it may live in it only a few years.

All resident properties have a value and grading which begins in the manner above illustrated. These values are subject to increase or depreciation according to what

new builders bid for vacant lots and the prices at which citizens are willing to take houses when vacant. Properties are graded according to values as follows :—

		Costing or valued at £		For man earning per annum £	
Grade A	...	200	to 300	...	100 to 150
„ A1	...	300	„ 400	...	150 „ 200
„ B	...	400	„ 500	...	200 „ 250
„ B1	...	500	„ 600	...	250 „ 300
„ C	...	600	„ 700	...	300 „ 350
„ C1	...	700	„ 800	...	350 „ 400
„ D	...	800	„ 900	...	400 „ 450
„ D1	...	900	„ 1,000	...	450 „ 500

And so on up the scale.

The value or grade of a property starts with the price bid for the lot and the cost of the house, as above explained. It may move up or down the scale according to the demand for it as follows. Suppose a property in Grade B which cost originally £440. The builder may have made a good selection in the location which grows in value. He may occupy the property free of rent and other charges, as long as he makes the yearly earnings with which he started, £220 per year. He is entitled to the benefit of his good judgment in selecting the location, and permanency of the home and family is desirable.

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At his death, or if he vacates for any cause, the house is open to selection to all citizens entitled to a home in Grade B or any higher Grade, and is given to that one who offers and has the highest amount of home value to his credit. Thus, suppose a citizen earning £300 per year, who has a home credit of £600, makes an offer for and accepts the property at this valuation. The property is thereupon raised in grade to correspond, and is supposed to have this value. There must have been good reasons for offering this much for the property when the citizen could have had a property in his own grade ranging in value from £600 to £700. The inducement could not have been in the house, which is the same. It must have been in the location which has become more valuable.

When this property becomes vacant again it is advertised, giving the grade, which is now C. If no one entitled to a property in this grade selects it, after a certain time, from thirty to sixty days, it is advertised in the next lowest grade, B1,

and if there are no offers in this grade, it is advertised in the next lowest grade, B, throwing it open to selection to citizens entitled to properties in these grades. The last occupant may have been mistaken in his judgment. The value he put on the property was not a sound one. He may have discovered his mistake and vacated for this reason as soon as he found another property vacant in his own grade. Other citizens do not value the property as high and refuse to accept it at his valuation. Hence, the property is lowered in grade. Or the last occupant may have used good judgment. Others are of the same opinion and select the house, when vacant, at his valuation. The property thus remains in the same grade and may do so indefinitely. Thus properties rise and fall in value or grade, the same as in other countries when bought and sold.

Apartment houses and flats are constructed by a number of citizens going together upon a co-operative basis or by the District itself. Each suite of rooms is treated as a single property, and is valued

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and graded according to location and its proportion of cost to the whole. The same rules and regulations as to occupancy apply to a suite of rooms as to a single property.

Since all properties are owned by the District, a system of this kind is necessary. Properties appreciate and depreciate in value. It is a means of furnishing each citizen with a home according to his own choice, and at a valuation he puts upon it in competition with other citizens. The awarding properties to the highest bidders preserves values to the State. It also saves all disputes among citizens as to what properties they shall occupy, and as to whether some are more favoured than others in this respect.

No citizen is permitted at any time to have the property use of more than he is entitled to according to his earnings. It is the object and purpose of the law that all citizens be treated with absolute equality with reference to the use of the District's property. But the earnings of many citizens vary from month to month, and year

to year. Outside those who have steady positions and fixed salaries, there is a large class, including farmers, business, professional and working men, whose earnings are not uniform. There must be some method of adjusting differences between the District and the citizen when the earnings are not uniform. This is accomplished by means of rental charges. If the earnings of the citizen vary, or fall below the amount on which the property was awarded him, he is charged with and pays the District the rental value on the difference. On the other hand, if the citizen should increase his earnings, the District either furnishes him with a more valuable property or pays him the rental value on the difference.

The rental charge generally adopted throughout the country is 8 per cent. of the property value. It is based upon the value of the use of the District's capital, worth 4 per cent., of which the citizen has the use in lot, house and personal property. Each citizen is, therefore, charged with the value of the use of what property he

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receives from the District for home purposes at 4 per cent. To this is added 4 per cent. for maintenance, repairs and depreciation, making the rental charge or value 8 per cent.

All differences between the District and the citizen are easily adjusted by means of rental charges. Suppose a citizen has been earning £200 per year and has taken the use of £600 worth of property, £400 in a home, and £200 in personal property. For some cause or other his earnings fall to £160 per year, according to which he is entitled to the property use of only £480. If he desires to remain in the same property, he pays the District the rental value of the difference, 8 per cent. on £120, or £9 12s. per year rent.

While no citizen is permitted at any time to have the use of more property than he is entitled to, at the same time, permanency of the home is secured by permitting the citizen to occupy a house as long as he pays the rental difference in case of decreased earnings. A citizen may thus occupy a property a lifetime if he so

desires, even though his earnings decrease, without the slightest injustice to other citizens. I am informed that it rarely becomes necessary for the District to eject a citizen from a property on account of decreased earnings. These are matters that adjust themselves. If the earnings decrease greatly, the rental charges become so large that the citizen can no longer meet them and have sufficient for his other wants. In such case, he voluntarily gives up the property and obtains one in accordance with his earnings and thereby avoids the payment of rent.

Another use made of the rental charge is the protection of values. It sometimes happens that a property is lowered in grade because of a lack of demand at some particular time. If there should afterward be a demand in this grade and it is necessary to build, a rental charge attaches to the property that has been lowered in order to bring it back to its original grade if possible, or if not, that the District's loss may be equalized by a rental charge. Likewise, if the cost of constructing a new

house should run over the amount to which the citizen is entitled, the District furnishes the extra amount upon which the citizen is charged rent.

Permanency of the home is well secured under this system. On the other hand the system is elastic, and admits of an easy exchange of properties for those who desire change. Citizens entitled to properties in the same grade are permitted to exchange or trade with each other, the District accepting the exchange, any differences of values being adjusted by means of rental charges. If a citizen has a property that does not suit him, he has the opportunity each time there is a vacancy in his grade to make a change; whereas an owner of property cannot change so easily and is often required to hold on to a property because unable to dispose of it at any time. Under this system the award of a property to that citizen having the highest amount of home value to his credit is practically the same as a sale to the citizen. The vacating of a property when another is to be had that suits better is, in effect, a re-

sale to the District. But there are not the risks and losses in these sales and resales there sometimes are in other countries under private ownership. Here, if a citizen makes a mistake or obtains a bad bargain, he has the opportunity to correct it the first time there is another suitable property vacant. Whereas, under private ownership the citizen generally must accept his loss and abide the consequences of his mistake or bad bargain.

While the ultimate title of all property is in the District, the relationship of the citizen to the property is that of an owner and not a renter. Every citizen is given the use of a home in accordance with his earnings because he has earned it, is entitled to it, and it is his by right. Even the occupant of a suite of rooms in a flat or tenement has possession by title directly from the District, because he has earned it and it is his by right.

CHAPTER VI.

THE HOUSING SYSTEM AS APPLIED TO FARM PROPERTIES.

THE District not only furnishes each householder with the property use of three times his annual earnings, which provides every citizen with an appropriate home in accordance with his earnings and station in life, but goes further, and looks to his needs. A large family has need of more room and a larger house than a small one. It may have been noticed that the values of properties in Grade A, in the table on page 68, run from £200 to £300, and that there is the same variation in each grade. While in each grade there are properties of different values to accord with the earnings of the man with a small family, there is also a difference in value caused by larger houses for large families.

Districts differ as to the amount of addi-

tional home value allowed for the needs of larger families. It ranges from £10 to £20 per child with a limit at four or five children. In some Districts a man with a family of five children or more is allowed £50 for the larger house needed, while in other Districts the allowance is £100 additional home value. In many Districts larger houses are obtained at small additional cost by constructing them plainer, less stylish and elegant, and in less valuable locations, but not lacking in any of the necessary conveniences and comforts.

As the District furnishes each householder with a house in accordance with the size of his family, if it is unable to do so at any time, it pays the citizen the rental value on the difference. On the other hand, if a citizen occupies a house larger than he is entitled to, on this account he is charged with and must pay the District the rental value on the difference. This would be in addition to any rental charges caused by decreased earnings.

For illustration, take the case of a young

man just married, no children, and earning £160 per year. These earnings entitle him to a home of the value of £320. As his family increases, the District must furnish him with a house in size and value suitable to his larger needs, or pay him the rental value of the difference. When he has two children he is entitled to £40 additional for a larger home, and when he has four children or more to £80 additional. If in either case the District is unable to furnish him the house in size and value he is entitled to, it pays him the rental value on the difference, which in the first case would be £3 4s. per year, and in the second £6 8s. per year.

But whenever a larger house is vacant, the citizen must accept it; if not, the payment of the rental value on the difference to him ceases in proportion to what he is entitled to as compared with what he is offered. If his family consisted of six, and a house is offered him suitable for four, or £360 value, and he refused, he would lose the rental credit on £40, and if he refused a house suitable for six, he

would lose the remainder of the rental credit. The District could not afford to pay the citizen a rental charge when it has properties of the size and value to which he is entitled vacant. On the other hand, it cannot afford to let him occupy a large house when he no longer needs it. Hence, as his children reach maturity and leave home, if he continues to occupy the same property, each time a child leaves a rental charge attaches, on account of his lesser needs, at the same rate at which it accrued when his family was increasing. When all his children have left, he would have to pay a rental charge of £6 8s. per year if he retained the same property, which, in most cases, is sufficient inducement to cause him to move and seek a smaller property in accordance with the needs of his smaller family.

As a matter of fact, there are no difficulties in this respect. Inquiry in a number of Districts in different Provinces brought forth the assertion that families easily and naturally adjust themselves to the size home needed. A small family has

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little desire for a large house because of the extra care and labour in taking care of it. This, together with the rental charges, causes the man, who has occupied a large house until his children have grown up and leave for themselves, to seek a smaller house suitable to the reduced size of the family.

The District also furnishes each family with a house in size according to needs in the country sections, the same as in the cities. From the allotment of three times his annual earnings, the farmer obtains his house, barns, other farm buildings, and personal property such as household goods, tools and machinery.

That the farmer must obtain both his house and farm buildings out of the allotment due him might at first thought seem unjust. While the city man has the full value of his allotment in the house and lot alone, he has been obliged to expend from one-fourth to one-third his allotment for the lot. Whereas the ground occupied by a farmhouse and buildings is of comparatively little value, and buildings

being necessary for every farm, the farmer is not charged with the value of the ground they occupy. This gives him the whole of his allotment for buildings and personal property and enables him to obtain both his house and barns.

It is necessary for the District to have a value on all town and city lots, because all values belonging to the District must be preserved and maintained; and without putting a value or price on lots their values could not be preserved and maintained. Then there is such a great variation in the value of lots in the same town or city, that, in order to avoid disputes between citizens as to whether some are more favoured than others, it is necessary to have a price on each lot to be deducted from the allotment so that those citizens who obtain the best lots pay for them.

But it is not necessary for the District to have a price on its farm land, neither as regards its use and occupation by the citizen, nor to maintain its value. Farm land has a different value and from a different cause than city lots. In what does the

value of farm land consist? It consists in what the land is capable of producing in products. A piece of land that produces nothing is worth nothing. A piece of land that produces large crops is worth twice as much as a piece of land that produces only half as much. This is the real basis of the value of farm land everywhere. What a piece of land is capable of producing is termed its soil value. This must be distinguished and kept separate from what is known as the labour value in the crops or products. In £200 worth of farm products there is generally £100 worth of labour and £100 worth of soil value. The proportion of labour value and soil value depends upon the kind of products produced, some crops requiring more labour than others. Neither soil without labour, nor labour without soil, can produce any crops.

Every piece of land possesses a soil value, which is determined from what it is capable of producing during a number of years. If a certain farm produces an average of £200 worth of products per year

for a number of years, it possesses a soil value of £100 per year. This is the real value of the farm and represents its worth to the District. Hence, in order to preserve and maintain its values in farm lands, the District requires the citizen occupying the farm to equal the average crops each year, or pay it its loss in soil value, except in cases of unavoidable loss. The farmer must also, the same as the city man, equal the average annual earnings in accordance with what he has received from the District for buildings and personal property, or pay the District the rental value on the difference. That is to say, if a farmer had been earning £200 per year, and by reason thereof had been given the use of £600 for buildings and personal property, if his earnings should fall to £160 per year, he would be charged with using £120 more property than he is entitled to at 8 per cent., or £9 12s. per year rent, the law being that if any citizen has the use of more than he is entitled to he must pay the rental value on the difference, and vice versa. In addition to the

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payment of this rent, the farmer would also have to pay the District its loss in soil value in the £40 worth of products. By these means the District preserves and maintains its values both in the buildings and in the land.

There being no monetary value attached to the land, farms, then, are graded according to what they earn and the value of the buildings upon them, as follows:—

Farm earning per year			Buildings		
£			£		
100 to 150	...	Grade A	...	200 to 300	
150 „ 200	...	„ A1	...	300 „ 400	
200 „ 250	...	„ B	...	400 „ 500	
250 „ 300	...	„ B1	...	500 „ 600	
300 „ 350	...	„ C	..	600 „ 700	
350 „ 400	...	„ C1	...	700 „ 800	

In the erection of new buildings and in improvements and enlargements, each farmer is permitted to expend the allotment due him as he deems best. He is allowed to determine how much is to go into the house and how much into the barns. He is supposed to know his needs best. The Sub-district exercises some control, but not often, because not necessary, in seeing that the necessary barns are not

neglected and too much money put in the house. Plans must be approved by a competent architect in order to keep the cost within the allotment. If a mistake should be made, and the buildings cost more than the allotment, the occupant pays the rental charge on the difference until he can increase his earnings.

To illustrate how a farmer may use the allotment due him for building purposes, let us take the following example :—

FARM, TWENTY-FIVE ACRES.

Earnings per year		Size family		For larger family		House		Barns, &c.		Total buildings
£				£		£		£		£
200	...	2	...	—	...	160	...	240	..	400
200	...	5	...	60	...	160	...	300	...	460
200	...	6	...	80	...	160	...	320	...	480

This farmer starts with a family of two, himself and wife. His family increases to six, and for the extra house room the District allows him £80. But the farmer thinks he needs more and better barns and expends the money in these, being willing to put up with the inconvenience of a small house. Or, if he had desired, he could have expended the extra allotment, or part of it, in land improvements such

as drainage, tilling, ditching, &c. The District gives the farmer the privilege of expending the allotment in whatever way he deems best, and in this respect gives him the privileges and makes him the equal of an owner of the land. Many an owner in other countries would have expended any extra money in the same way. And it would probably be good business policy to so expend it, for the probabilities are that the extra barn will bring the larger house through larger earnings by reason thereof.

But suppose the farm becomes vacant. The next occupant must take it as he finds it. Suppose the next occupant has a family of two, the earnings of the farm continuing the same, £200 per year. The house is the right size, but there is more money invested in the barns than he is entitled to. He pays the District the rental value on the difference, or £6 8s. per year, as long as the situation lasts. If the family should increase, allowance would be made until there was a family of six, when the rental charge would cease.

Or by increasing his earnings he could apply what he would be entitled to on the increase and thereby diminish or entirely dispose of the rental charge against him. Or if the occupant had taken the use of but £120 in personal property, he would be entitled to the use of £480 in buildings, in which case no rental charge would have attached.

The following is another example of allotment spent or invested in farm buildings :—

FARM, TWENTY-FIVE ACRES.

Earnings per year		Size family		For larger family		House		Barns, &c.		Total buildings
£				£		£		£		£
200	...	2	...	—	..	160	...	240	...	400
200	...	5	...	60	...	220	...	240	...	460
200	...	6	...	80	...	240	...	240	...	480

In this instance the occupant has spent the allotment so as to give the right size house. So far as a change of occupants is concerned, the system works smoothly however the allotment is expended. If the next occupant has not the size family to suit, either too large or too small, the difference is easily adjusted by means of a rental charge.

The foregoing is the method by which the District furnishes each householder with a home in accordance with his earnings and family needs—to the labouring man earning £80 to £100 per year a modest home valued at £160 to £240 in keeping with his simpler needs; while the business or professional man, earning £2,000 or £4,000 per year, can procure a home with £4,000 or £8,000 in accordance with his larger needs. So that in this country, where the title of all real estate is held in common by the District for the benefit of all, there are resident properties of all kinds, sizes and values, the same as in every other country. In the cities one sees rows of neat, comfortable cottages for working men, or large apartment houses surrounded by beautiful and shaded lawns in which the home value of the citizen is obtained in a suite of rooms. In another street all the houses may be of larger value, £1,000 to £2,000 properties, and on the finest streets £8,000 or £10,000 properties. In the country regions one sees the same difference and variety in the size,

style and value of houses and farm buildings in accordance with the size and earnings of the farm.

The law limiting the home and furnishings of each citizen to three times the amount of his annual earnings applies to all citizens alike, the rich as well as the poor. There could not be one rule for one and another rule for the other. The term furnishings includes all personal property of which the citizen and his family have the exclusive use, as distinguished from property used for business or earning purposes. All citizens, therefore, are limited to the use of a home and furnishings three times the amount of the annual earnings.

This limitation is a wise and beneficial law. It enables the District to supply the poorest and humblest citizen with a good, substantial home; at the same time it affords the wealthy finer and more elegant homes—not the costly and palatial residences possessed by the rich in other countries, but fine enough and good enough to satisfy all reasonable men.

CHAPTER VII.

A NEW SYSTEM OF WAGES.

FOR living expenses the District pays each citizen the same or an equal wage with every other citizen. To be entitled to the equal wage, the citizen must earn the full pay or wage in his work or employment, beginners and apprentices, not earning the full wage, being paid in proportion. Thus, if the full wage in a certain work or trade is 12s. per day, a beginner earning only 4s. per day receives one-third the equal wage paid by the District.

Likewise, a citizen engaged in a business or employment the earnings of which are low and uncertain, and below the average earned by a common labourer, does not receive the full equal wage, but whatever proportion his earnings bear to that of a common labourer, unless incapacitated and unable to earn any more.

But if physically able, such citizen is required to engage in a more remunerative business or employment, if it can be obtained.

It is necessary to make a distinction between the terms equal wage and earnings. The equal wage is what the District allows or pays the citizen—to every citizen the same, no matter what his work or business, whether common labourer, artisan, business man, professional man, or farmer. Earnings are what the citizen makes or earns in his work, employment, or business. The citizen engages in whatever work or business suits him best in a free, open, and competitive market, the same as in any other country. But every citizen being the trustee, agent, or employee of the District, whatever his work or business, accounts to the District for his earnings, and out of the earnings of all, after making certain deductions for other purposes, the District pays to every citizen the same or an equal wage.

The wage paid by the District varies from month to month, and year to year.

In fact, it is very seldom the same, being dependent upon what the District makes or earns during a month or year. In prosperous months or years the wage paid is higher than in other months or years in which conditions exist which affect the prosperity. In agricultural sections it is high, and is likely to be far above the average for the year during crop selling periods, and below the average when there is little or nothing to sell.

Then again, the equal wage paid varies in different Districts. The District being the unit by which the system is administered, and no two Districts being alike in size, population, quality of soil, and character of industries, it is seldom that the wage is the same in two Districts. Still there is not a great variation, and it is something near the same in Districts of the same Provinces or in the same scope or character of country.

The equal wage is paid monthly and averages from £5 to £6 per month. Visitors to the country, when first informed as to the amount of the equal wage,

often express astonishment. A wage of £5 to £6 per month might be sufficient for the ordinary working man and correspond with what he receives in other countries. But what about the citizen who earns £80 to £100 per month? To pay this citizen the same low wage and put him in this respect upon the same basis as the working man seems contrary to all their ideas and opinions as to what is just and equitable. Such visitors are informed that the equal wage is only a part of what the citizen receives, and are requested to reserve judgment until they ascertain all the District does for the citizen.

As a matter of fact the equal wage is a comparatively low one, but compares favourably with that paid in Germany and several European countries before the war. In the United States where earnings are the highest, the equal wage at the present time would be about £12 per month, as compared with £8 per month for England, and £7 to £8 for Belgium and France.

The primary object in giving the pro-

perty use of three times the amount of the annual earnings is to supply every citizen with a good and comfortable home, and the necessary personal property to furnish it. So the object and purpose of the equal wage is to supply every citizen with the necessities of life—sufficient food and clothing to properly sustain the bodily functions. A monthly wage of £5 to £6 may seem small for living expenses, even for the working man. But it must be remembered that the citizen is also furnished a house to live in and the personal property to furnish it, and that it is not necessary for him to expend any part of the equal wage for furnishings or rent, except in cases of decreased earnings. In other countries from one-fourth to one-third the earnings of working men and others, who do not own their own homes, is paid for rent. But in this country the whole of the monthly wage can be expended in food and clothing, and with proper care and economy is sufficient to supply each citizen with these necessities of life.

But every citizen has need of more than the bare necessities of life. One of the basic laws of the country is, "to every one according to his needs." All that the State does for the citizen is based upon this principle. The law giving each householder a home twice the value of his annual earnings is based upon need. The common labourer, whose earnings are small and tastes simple, does not want or desire the large and expensive house of the man of much ability whose earnings are large. Likewise, the common labourer does not care greatly for education, culture, and the other refinements of life. His nature is easily satisfied in this respect. Nevertheless, he has needs in addition to a home and the bare necessities of life. He needs entertainment, recreation, and an opportunity of making the most of himself and family.

The man of ability, on the other hand, is not so easily satisfied. There are great differences in men. No two are alike, and no economic system could succeed long which attempted to put all men on an

equality. The higher nature of the man of ability delights in culture, education, and all the refinements of life which do not appeal to the common labourer.

The higher needs of all citizens should be provided for. The District makes such provision by paying to each citizen 20 per cent. of his earnings in addition to the equal wage. This constitutes a fund known as "Special Needs." It is sufficient to supply the common labourer with his simpler special needs. It also enables the larger earners to enjoy more of the refinements of life than those who show less ability by less earnings—to surround themselves with those things that appeal to and contribute to the culture and development of their higher tastes and more refined natures.

Aside from these considerations, the special need fund is general in character and is intended to cover special needs of all kinds. The equal wage paid every citizen for living expenses may not be sufficient in all cases. Out of the personal property fund the farmer must obtain his

house furnishings and farm implements, and the mechanic his tools. This fund may not always be sufficient for the purpose. To provide for deficiencies of this kind and to cover other needs not otherwise sufficiently supplied, is the special need fund. Twenty per cent. for special needs is not an arbitrary figure, but has been adopted because it is the most suitable for the purpose. A less per cent. would be too little for the citizen, and a larger per cent. could not be afforded by the District.

Basing the need of the citizen upon the amount of earnings may not appear to be a high standard. There are those who take the position that the citizen's need should be supplied irrespective of earnings. In this connection the need of the State itself must not be lost sight of. It is necessary for the State, or District, to maintain and support itself. There must be sound business principles back of what it does for the citizen, or it would soon be in a position where it could do nothing at all. Making the need of the citizen de-

pendent upon his earnings sustains the State, and is an incentive to the citizen to exert himself to the utmost that his needs be supplied. Incentive is highly essential in any society. If needs were not based upon earnings, many citizens would engage in impracticable pursuits, and others would follow callings which appeal to them, but for which they have little or no ability. Every citizen, for his principal occupation at least, should engage in that work or calling in which he can earn the most in order that the State or District as a whole may be properly maintained. Hence, it becomes necessary, so far as all those citizens who are capable of earning anything are concerned, to base needs upon the amount of earnings, both for the good of the citizen and the State.

Every citizen engaged in an active work, business or pursuit, receiving an income therefrom of any kind, is an earner, and is so classed and rated by the District, even though his business may be a failing and unsuccessful one. Losses in business are not taken into consideration in deter-

mining earnings. In the case of a citizen conducting a losing business, his earnings are what he takes from his business for his personal use, or living expenses, and are the basis as to what he receives or pays to the District. If losses were taken into consideration in determining earnings, it would be possible for a citizen to conduct a losing and failing business for a certain period, live well during the time, perhaps better than other citizens who were succeeding, without returning anything to the District. This would be inequitable and unjust as to other citizens. Hence, losses of a citizen in business come out of his capital stock, are not deducted in determining earnings, and if they reach a point where his capital is exhausted and he can no longer obtain anything for his living expenses, he must quit the business and engage in something else. Thus every active citizen is an earner and earnings must be accounted for wherever they are, or in whatever form they may be, whether received in money, left in the business for improvements or enlargements, whether at home or in other Districts or countries.

CHAPTER VIII.

REPAIRS AND MAINTENANCE OF PROPERTIES.

EACH householder is also allowed 10 per cent. of his earnings for repairing and maintaining the real and personal property of which he has the use. This is known as the "Repair and Maintenance Fund." Five per cent. is for keeping up repairs on the house in which he lives, and 5 per cent. is for renewing and maintaining his personal property. Houses need repairs and personal property wears by usage. These are needs that must be provided for. Granting each citizen a certain proportion of his earnings for this purpose gives to each an amount that is in proportion to the value of the real and personal property of which he has the use.

As to how the Repair Fund is to be expended is left largely to the citizen. He

decides what repairs are to be made, buys the material, selects the workmen, and bargains with them as to wages. Being the occupant of the property, which is to all intents and purposes his own, he is supposed to have sufficient incentive to do the best he can for the property and receive the most for the money.

The Repair Fund ranges from £10 per year for a £400 property to £20 per year for a £800 property, and so on up. Repairs costing considerably more than the yearly allowance are obtained by the occupant accumulating a repair fund by drawing upon it as lightly as possible for two or three years. The Sub-district in case of necessity advances an amount equal to what has been saved, charging the advance against future years.

The Sub-district exercises some control over the expenditure of this fund. Being the owner of the property, it has the right to insist that no necessary repairs be neglected, and the money spent for those not necessary. In each Sub-district there is a House Board which has nominal con-

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trol and supervision over all houses within the Sub-district. This Board employs a superintendent of buildings. When a citizen desires to make repairs he sends notice to the House Board, which sends its superintendent to inspect the premises. If there is nothing else necessary to be done, or if it is not necessary to accumulate a fund for a large repair needed in the future, the repair applied for, whatever it may be, is allowed. There is seldom any difference between the superintendent and the citizen, for most householders are of sufficient judgment to know what is needed. But if not, or if indifferent, the Board has the right to direct the expenditure of the money in those things really needed to save and protect the property. Suppose a house needed a new roof, electrical, or heating appliance now, or in the near future. The Board would not permit expenditures in other things not needed and which could be postponed.

For apartment houses and flats, the repair fund is made up of 5 per cent. of the earnings of all families occupying the

building. A certain per cent. of this is taken for the repair and maintenance of the building as a whole, and the balance distributed among the apartments according to the earnings of the occupying families.

In case the householder vacates the property before the end of a year, any part of the repair fund not expended may be used by the next occupant. Though based upon earnings, the Repair Fund is for the maintenance of the property, and for this reason remains with the property. But the citizen moving loses nothing, as the house to which he moves has a fund for the year, either expended or to be expended. It is the duty of the House Board to see that all houses are kept in good condition and the necessary repairs made. For those houses occupied by transients, or those not interested in keeping up the property, the repair fund is taken charge of by the Board and expended by it. The Board also keeps up the necessary repairs on empty houses from Sub-district funds. It should also be mentioned that,

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in case of decreased earnings, the 8 per cent. rental charge keeps the Repair Fund intact, the rental charge being made up of 4 per cent. for the use of the District's capital invested in the property, and 4 per cent. for depreciation, or maintenance.

CHAPTER IX.

BIRTH OF THE NEW ERA.

As Russia was not able to furnish, by example, a solution of the economic democracy—the greater social justice toward which the world was darkly struggling—neither could England, France, nor the United States. While the latter country was the world's best example of a political democracy, it was but very little advanced in economic democracy. Germany was, perhaps, the most advanced of any country in this respect. But such state socialistic laws as it and other countries possessed were meagre, imperfect, partial, and far short of what was needed to give the weaker and more unfortunate members of society that social justice to which they were entitled. An examination of the state socialistic laws of any country at that time, such as the working man's compensation acts, whereby the family of a working-man received compensation in

case of death, or accident, while engaged in his work, mothers' pensions, old age pensions, State insurance against sickness or invalidity, &c., reveals their meagreness, crudeness and partiality. Take, for instance, the laws of Ohio, one of the most progressive and advanced States in America in this respect. The Working-man's Compensation Act applied only in cases where there were five or more persons employed. If there should happen to be only four men, or less employed, and one of them met with death or serious accident, his wife and children received no aid or compensation, though the misfortune was just as big a blow to them, and they were just as much in need of compensation as if five men had been employed. If the working-man met with death or accident outside his employment, or if a fatal disease fastened itself upon his body and destroyed his life, his wife and helpless children received no compensation, though they were just as much in need of it had the father been killed outright while at work. If the citizen should

happen not to be what is termed a working-man; if he should be a store-clerk, for instance, and through some fault or lack of precaution of himself or others, fall down an elevator shaft, break his back and become an invalid for life, with a weakly wife and small children dependent upon him, he received no compensation, though he was just as much in need of it as if he had been a working-man. Then take the mothers' pension. It was paid only to mothers whose husbands were dead or in the penitentiary. The woman who had a worthless husband, who ran off and deserted her and her children, and perhaps could not be located for years, received nothing unless the husband could be found and sent to the penitentiary for non-support. And so it is with all these laws. They applied to certain citizens only, and were incomplete in their application to them.

The same partiality, imperfection, and class favouritism is to be found in the Labour Section of the Treaty of Versailles, known as "The Magna Charta of Labour."

This is supposed to be a solution of the world's industrial ills, but like the State socialistic laws of all countries, applies only to "the worker," or "industrial wage-earner"—these are the words used in the Treaty itself. The preamble of this section of the Treaty recommends the prevention of unemployment, the protection of the worker against sickness, disease and injury arising out of his employment, and provisions for old age and injury. These are excellent provisions, and the labourer and his family should have this protection. But why should not all citizens, whatever their work or occupation, be entitled to this protection, in case it is needed—the teacher, doctor, lawyer, preacher, business man, store-clerk, office-clerk, book-keeper, type-writer, stenographer, farmer, salesman—might there not be persons in all classes in no better circumstances than the working-man, and as much in need of and entitled to such protection as he? And if there is need of it, why should not the citizen or his family be compensated, whether the death, disease, sickness, or

injury arose out of his employment or not? To give full and complete protection to all people under all such circumstances, if needed, is true and complete economic democracy, State Socialism, Christian Socialism, whatever it may be called.

The Magna Charta of Labour is not a solution of the world's industrial wrongs, because it seeks the betterment and advantage of the working-man only. Framed by the leaders of organized labour, it is a striking proof of the fact that the world's industrial problems cannot be equitably solved by labour alone, or any one class, because of the inability of the leaders of any one class to view things from a broad, humanitarian standpoint that sees with equal vividness the interests of other classes as well as their own.

While the world was thus struggling for a higher economic democracy and greater social justice, the labouring man offering his solution, the Bolshevists trying to put their theories into practice in Russia, amidst all this struggling and groping about in the dark in all countries, some-

thing took place in a remote and obscure part of the world, little noticed at the time. There was considerable increase in the population of British East Africa after the war. This was one of the vacant places of the world, with great natural resources, capable of becoming one of the best and richest countries of the world. Many English soldiers who had fought in Africa during the war settled there, to which were added their wives from England, marriageable single women and others seeking new homes. Thus the country rapidly improved and developed.

The colonists sought a larger measure of self-government from the mother country, in response to which there was passed by the British Parliament an act entitled "The British East Africa Enabling Act," under which the people were permitted to have a Parliament of their own and to pass such laws as were not in conflict with British sovereignty. This was at a time when the British Empire was much disturbed with the separation of Ireland, the revolt in Egypt and the insurrection in

India, so that little attention was paid to the passage of the Act or as to what was taking place in Africa.

Under the Enabling Act a Parliament was elected composed of the country's best and most representative citizens. This Parliament appointed a Commission to formulate laws of a more equitable character relating to property tenure, the distribution of the earnings of industry, &c., with a design to establish true economic democracy for all the people, with special privileges or advantages to none. Upon this Commission were some real Statesmen who ranked with Alexander Hamilton and Thomas Jefferson in political acumen. Other members of the Commission were wise and intelligent students of world conditions, and much valuable assistance was rendered by some American business men who composed a hunting party sojourning in the country while the Commission was in session.

The Commission made a careful study of world conditions—of what was taking place and what was being attempted both

during and after the war. Representatives of all classes were before it to present and contend for their views. The views of British labour were presented as well as those of Russian Bolshevists, while there were also representatives to present the opinions of capital, manufacturers, farmers, business men, educators, &c. The questions before the Commission were as intricate and as great and important as any in the history of the world.

The first question presented was the proposal by the representatives of labour that certain industries be socialized, or nationalized. Closely related to this was the Soviet plan for government and industry. This plan had its extreme in Russia, where it was proposed that industry be conducted by labour without the aid of capitalists, with modified forms in Germany and England, where it was proposed that coal mines and other industries be nationalized, and in the United States, where Government ownership of railroads was proposed with a tri-partite control and management by a group, or

directorate, composed of representatives of labour, the public, and operating officials. But, it was argued by the opponents of Sovietism, that in whatever form proposed, the Soviet principle is destructive of efficiency, economy, and all the elements that go to make up the successful conduct of industry. Tried in Russia under adverse conditions, the results were disastrous. Tried in one of the United States, South Dakota, under the Non-Partisan League, through which the farmers as a group attempted to do their own buying, selling and merchandizing, and under the most favourable conditions as to money and a prosperous economic condition generally, the results were the same. The programme had to be abandoned after throwing the State heavily in debt. The Soviet principle is not sound economically, it was further maintained, for it had been very amply demonstrated that a business or industry can be most successfully and efficiently conducted by a single management, with as little interference from the group, or public, as pos-

sible. In the group there are too many conflicting plans and ideas; it takes too long to come to a decision, and when a decision is reached it is not likely to be as clear and straight cut, and carried out as successfully, as when a single man or directorate has made it and undertaken its execution. Even in the government of a city, it has been demonstrated under "the city manager plan," that a city manager can conduct the affairs of a city more efficiently, successfully and economically than a city council or board of aldermen. It was conceded that employees should have a voice in matters pertaining to their welfare and working conditions, but not, as such, in the control and management of industry.

It was further argued that the single management of business or industry should be by, or on the part of, the owners. Industry must be conducted upon the most efficient and economical lines possible, the capital invested must be protected and preserved; otherwise, industry itself will soon be destroyed, as was the

case in Russia. Only in a proprietary interest is there sufficient incentive and interest to afford capital the necessary protection and to conduct industry along the most efficient and economical lines possible. "The public" is an intangible, absent body, unable to enforce its will or make itself heard, and its representatives very seldom give it proper protection, or represent its best thought and judgment. Hence, the more public conduct and control there is of industry, the less efficient, and more costly and expensive, it is likely to be. This was amply demonstrated in all countries by Government conduct and control of railroads, munitions, and other war supply industries during the war. A majority of the Parliamentary Commission holding this view, the conclusion was reached that there should be neither Government nor any form of group conduct and control of business or industry, which should be left entirely to private individuals or corporations, with every probability that they will conduct them far more efficiently, economically and

successfully than the Government or group.

The American business men present called the attention of the Committee to the fact that the manner of conducting the railroads, and of business and industry generally, had reached a high degree of efficiency in the United States in the period just preceding the war. Especially was this true in what was known as modern business methods. If fault was to be found in the old economic system, it did not consist in the manner and method of conducting industry. There were certain abuses, it was admitted; but these could be regulated and controlled without resorting to a new plan or method. No other plan or method of conducting industry could be substituted without greatly endangering the efficiency of industry, and no nation could afford to have anything but the most efficient and successful methods, both on account of its own economic good and welfare, and on account of its competition with other nations. Neither could the competitive

system be dispensed with between nations, or among individuals, because it was the incentive through which the world had made such great progress and was necessary to keep both nations and individuals from deterioration. Instead of in any way discarding old methods of conducting industry, some of the American business experts present suggested that they could be applied to the economic order that was developing in the arguments and in the minds of the Commission, upon which suggestions the business experts were invited to present their ideas and assist the Commission in its work.

Wherein, then, was the difficulty with the old economic system? It was maintained by many that the great wrong of the old system consisted in the fact that the capitalist received too large a share of the profits of industry and the labourer too little. The one lived in comfort, luxury and ease, while the other often underwent a dire struggle for existence, with multitudes in abject poverty and want. The system of property tenure was also at

fault, it was contended, and was largely accountable for the great difference of material welfare between the rich and poor. Based upon the old Roman law, it was pagan and not Christian. It even embraced slavery up to within recent years, and in other respects it was not in harmony with Christian principles and ideals. It was pointed out that this system, the successor of feudalism, had been tried in England during the last six hundred years, and has resulted in a large portion of its inhabitants becoming paupers. It had been tried in America under the most favourable circumstances and the results were turning out to be the same—the wealth of the country was being collected into a few hands with the greatest fortunes the world had ever known, while poverty was developing with alarming rapidity.

To correct these wrongs, which were the cause of great social unrest throughout the world, there were presented to and considered by the Commission various plans and proposals, such as profit-sharing, co-

operation, industrial democracy, representation in industry, welfare work, collective bargaining, Government ownership and nationalization of certain industries, higher wages, and labour's programme in the League of Nations. But, in the judgment of the Commission, none of these plans furnished a complete solution of the whole problem. Some were not universally applicable, and would result in benefit only to the persons engaged in the particular industries which adopted them, while others would result in class advantage and privilege. The problem could only be solved by some plan that would include each and every citizen, no matter what his work or occupation—this alone is true and complete economic democracy. Such a solution the Commission found in a combination of individual and Government ownership, with individual possession and control, and individual conduct of business, agriculture and industry. Under such a system, the wrong in the old system of property tenure could be corrected, the former efficient and success-

ful methods of industry could be retained, while a more equitable distribution of the earnings of industry could be effected, benefiting those citizens that did not receive a sufficient share.

Thus it will be seen that the Commission arrived at its conclusions after careful and thoughtful consideration of all the problems, demands and suggestions presented to it, and which were agitating the world at large at the time. These conclusions were formulated into a system of laws, put into final form, and were afterwards reported to and passed by the British East African Parliament. Thus a great victory was achieved by the common people by means of which a system of wealth distribution and property tenure was obtained, as superior to the old system as the old system was to that of feudalism.

Some time thereafter a similar system of laws was passed and put into effect in Germany, England and other European countries. Compelled under these laws to give employment to its idle citizens, also with the object of providing permanent

homes for her surplus population, England decided upon the settlement and development of British East Africa upon an extensive scale. So a large industrial army was soon sent to the new country to prepare it for further settlement.

Towns and cities were erected with every modern improvement, and farms were made ready for occupancy. Settlers came in a steady stream and business of all kinds flourished. The effect upon England was remarkable. With the departure of the first industrial army, she entered upon an era of good times and prosperity which continues and grows better every year.

While much of the prosperity of England was due to the development of Africa, much more was due to her own system of State Socialism, now in good working order. No prosperity under the old system could equal the general good and welfare under the new system, in England and all the European countries that had established it. It provided for the extinguishment, without repudiation, of the great national debts, except those parts owing

foreign citizens and countries, while the savings derived from the prohibition of intoxicants, which is a great national waste, and from former military expenditures, would, within a comparatively few years, extinguish all foreign debts and indemnities. The new system also made provision for war orphans and all invalided soldiers in a general plan embracing all citizens needing help. It also provided places for all able-bodied soldiers and citizens. The operation of the system itself called for large numbers of bookkeepers, accountants, and business experts, which positions were eagerly sought by former officers of the army. Other citizens were provided for in other ways, and poverty and want were banished, never to return again.

Afterward, there arose an insistent demand for economic democracy in the United States itself. And just as the United States had been compelled to adopt the war-time State Socialism of Europe, it was also compelled to adopt the peacetime State Socialism of greater economic

equality and opportunity among its citizens, in order to do justice to its great common people and to hold its place among the nations of the world.

But let us return to Africa, because there the new era was fully and completely established, and whose settlement and development has been the wonder of the world. Never before in the history of the world has a country been as rapidly settled, improved and developed. While everything has a new, modern appearance, it is difficult for the traveller to realize that it has been all erected and constructed within the course of a few years. The fine system of public roads of perfectly smooth concrete, over which fly swiftly moving autos and gyros as upon railroad tracks; the attractive country homes and farm buildings, with electrical equipment for doing every kind of housework and motor machinery for doing every kind of farm work; the great irrigating systems with their vast dams and reservoirs; the beautiful towns and cities covering such large areas, free from smoke

and soot, heat and power being brought from distant mines and waterfalls upon electric lines; the artistic modern houses with sleeping porches and pretty gardens and the rare and beautiful flowers and trees, giving the cities a beautiful park-garden appearance; the model schools and churches—the construction of all this, within so short a time, is the triumph of modern machinery, the miracle of modern methods. In this rich and prosperous country every one fares well, all the people live in peace and comfort and lack none of the necessities of life. Regarded by its inhabitants as the ideal country, it has been called Equaland because all its citizens, women as well as men, have both political and economic equality.

CHAPTER X.

ANNUAL RECEIPTS OF THE CITIZEN AS TRUSTEE OF THE STATE.

THE following tables, compiled from the records of a District Auditor, show what each householder receives yearly, and the cost to the District and to the citizen on earnings ranging from £70 to £400 per annum.

In order to ascertain all that the citizen receives from the District, not only the Equal Wage, Special Need, and Repair Funds must be taken into consideration, but also the real and personal estate of which he has the use, which is charged against him at the rate of 4 per cent. per annum. The citizen, however, does not pay this charge, except a proportionate part in case of decreased earnings.

From the annexed tables it will be seen that the small earners receive more from the District than they earn, while the

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EQUAL WAGE, £72 PER YEAR, OR £6 PER MONTH.

Earnings	Equal wage	Special needs, 20 per cent.	Repairs, &c., 10 per cent.	Total Money	Property use, 4 per cent.	Total received	Cost State	Cost Citizen
£	£	£	£	£	£ s.	£ s.	£ s.	£ s.
70 per yr.	72	14	7	93	8 8	101 8	31 8 per yr.	
80 "	72	16	8	96	9 12	105 12	25 12 "	
90 "	72	18	9	99	10 16	109 16	19 16 "	
100 "	72	20	10	102	12 0	114 0	14 0 "	
110 "	72	22	11	105	13 4	118 4	8 4 "	
120 "	72	24	12	108	14 8	122 8		2 8-2 per cent.
130 "	72	26	13	111	15 12	126 12		3 8-2+ "
140 "	72	28	14	114	16 16	130 16		9 4-6+ "
150 "	72	30	15	117	18 0	135 0		15 0-10 "
160 "	72	32	16	120	19 4	139 4		20 16-13 "
170 "	72	34	17	123	20 8	143 8		26 12-15+ "
180 "	72	36	18	126	21 12	147 12		32 8-18 "
190 "	72	38	19	129	22 16	151 16		38 4-20+ "
200 "	72	40	20	132	24 0	156 0		44 0-22 "

EQUAL WAGE, £96 PER YEAR, OR £8 PER MONTH.

Earnings	Equal wage	Special needs, 20 per cent.	Repairs, 10 per cent.	Property use, 4 per cent.	Total received	Cost State	Cost Citizen
£	£	£	£	£ s.	£ s.	£ s.	£ s.
100 per yr.	96	20	10	12 0	138 0	38 0 per yr.	8 8—4 per cent.
120 "	96	24	12	14 8	146 8	26 8 "	20 0—10 "
140 "	96	28	14	16 16	154 16	14 16 "	31 12—14 "
160 "	96	32	16	19 4	163 4	3 4 "	43 4—18 "
180 "	96	36	18	21 12	171 12		54 16—21 "
200 "	96	40	20	24 0	180 0		
220 "	96	44	22	26 8	188 8		
240 "	96	48	24	28 16	196 16		
260 "	96	52	26	31 4	205 4		

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ANNUAL RECEIPTS. EQUAL WAGE, £120 PER YEAR, OR £10 PER MONTH.

Earnings	Equal wage	Special needs, 20 per cent.	Repairs, 10 per cent.	Total money	Property use, 4 per cent.	Cost State	Cost Citizen
£ 120 per yr.	£ 120	£ 24	£ 12	£ 156	£ s. 14 8	£ s. 50 8 per yr.	
140 "	120	28	14	162	16 16	38 16 "	
160 "	120	32	16	168	19 4	27 4 "	
180 "	120	36	18	174	21 12	15 12 "	
200 "	120	40	20	180	24 0	4 0 "	£ s. 7 12—3 per cent.
220 "	120	44	22	186	26 8		19 4—8 "
240 "	120	48	24	192	28 16		30 16—11 "
260 "	120	52	26	198	31 4		42 8—15 "
280 "	120	56	28	204	33 12		54 0—18 "
300 "	120	60	30	210	36 0		65 12—20 "
320 "	120	64	32	216	38 8		

EQUAL WAGE, £144 PER YEAR, OR £12 PER MONTH.

Earnings per year	Equal wage	Special needs, 20 per cent.	Repairs, &c., 10 per cent.	Total money	Property use, 4 per cent.	Total received	Cost State	Cost Citizen
£	£	£	£	£	£ s.	£ s.	£ s.	£ s.
160	144	32	16	192	19 4	211 4	51 4 per yr.	6 16— 2 per cent.
180	144	36	18	198	21 12	219 12	39 12 "	18 8— 6 "
200	144	40	20	204	24 0	228 0	28 0 "	30 0— 10 "
220	144	44	22	210	26 8	236 8	16 8 "	41 12— 13 "
240	144	48	24	216	28 16	244 16	4 16 "	53 4— 15 "
260	144	52	26	222	31 4	253 4		64 16— 18 "
280	144	56	28	228	33 12	261 12		76 8— 20 "
300	144	60	30	234	36 0	270 0		88 0— 22 "
320	144	64	32	240	38 8	278 8		
340	144	68	34	246	40 16	286 16		
360	144	72	36	252	43 4	295 4		
380	144	76	38	258	45 12	303 12		
400	144	80	40	264	48 0			

larger earners receive less than they earn. This makes the cost of the system fall upon those who earn the most and who are able to bear it. There cannot be a more equitable distribution of the means of subsistence, poverty cannot be abolished and all citizens supplied with the necessities of life, without some system that will give more to the weaker and less fortunate members of society than heretofore. State Socialism does this, supplying every citizen with sufficient of the necessities of life with no real sacrifice to the more able and more fortunate members of society.

An examination of the foregoing tables shows that those who earn the most receive the most; that their condition in life is, in every particular, better and more desirable than those earning lesser amounts. Hence, there is constant incentive to each citizen to earn more to better his condition. In fact, this is the only means by which it can be bettered.

The cost to the State is not as great as appears. For instance, the man earning £100 per year receives a rental

value of £12 per year, the larger part of which represents a home which costs the District nothing, as it is already the owner, and the personal property is given but once. On the other hand, the larger earners have the advantage of low rental values which reduces the actual cost of the system to them considerably.

As already stated, £6 per month is the average equal wage in Equaland. But as earning in different countries varies greatly from various causes, the equal wage in different countries would also vary. £12 per month would be the average in the United States; £8 per month in England, and £6 to £8 in Germany under normal conditions, with variations each month about the averages, and also with variations in different parts of the same country.

CHAPTER XI.

RECEIPTS AND COSTS BY MONTHLY PERIODS.

As heretofore stated, State Socialism is operated by monthly periods. The citizen accounts to the District for his earnings, and the District pays the equal wage and 20 per cent. for special needs at the end of each month. The Repair and Maintenance Funds are drawn upon as needed. To save time in making calculations, a handbook, containing tables, figures, and other information completely covering every detail of the system, is used by the District Auditors, a copy of which is to be found in the possession of every citizen.

The following and other tables and figures found herein have been taken from this book, entitled "The Citizen and the State."

Having shown what the District pays the citizen yearly, the following table

TABLE OF WAGE PAID, AND WHAT CITIZEN RECEIVES, AND WHAT IT COSTS STATE, AND WHAT IT COSTS CITIZEN.
WAGE £6 PER MONTH.

Monthly earnings	Equal wage	Special needs 20 per cent.	Total money	Repairs, &c., 10 per cent.	Rent value	Total received	Cost State	Cost citizen
£ s. d.	£	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
6 0 0	6 6	1 4 0	7 4 0	0 12 0	0 14 5	8 10 5	2 10 5	0 1 10.5
6 10 0	6 6	1 6 0	7 6 0	0 13 0	0 15 7.5	8 14 7.5	2 4 7.5	0 13 5.5—5 + per cent.
7 0 0	6 6	1 8 0	7 8 0	0 14 0	0 16 10	8 18 10	1 18 11	0 19 4 — 8 per cent.
7 10 0	6 6	1 10 0	7 10 0	0 15 0	0 18 0	9 3 0	1 13 0.5	1 5 0.5—10 "
8 0 0	6 6	1 12 0	7 12 0	0 16 0	0 19 2.5	9 7 2.5	1 17 4	1 10 11 — 11 + per cent.
8 10 0	6 6	1 14 0	7 14 0	0 17 0	1 0 5	9 11 5	1 1 5.5	1 16 7.5—13 + "
9 0 0	6 6	1 16 0	7 16 0	0 18 0	1 1 7.5	9 15 7.5	0 15 9	2 2 5 — 15 + "
9 10 0	6 6	1 18 0	7 18 0	0 19 0	1 2 10	9 19 10	0 9 10.5	2 8 2.5—16 + "
10 0 0	6 6	2 0 0	8 0 0	1 0 0	1 4 0	10 4 0	0 4 0	2 14 0 — 18 per cent.
10 10 0	6 6	2 2 0	8 2 0	1 1 0	1 5 2.5	10 8 2.5	0 4 0	2 19 11.5—19 + per cent.
11 0 0	6 6	2 4 0	8 4 0	1 2 0	1 6 5	10 12 5	3 6 0 — 20 + "	3 11 6.5—21 + "
11 10 0	6 6	2 6 0	8 6 0	1 3 0	1 7 7	10 16 7.5	3 13 4 — 22 per cent.	
12 0 0	6 6	2 8 0	8 8 0	1 4 0	1 9 7	11 0 10		
12 10 0	6 6	2 10 0	8 10 0	1 5 0	1 10 0	11 5 0		
13 0 0	6 6	2 12 0	8 12 0	1 6 0	1 11 2.5	11 9 2.5		
13 10 0	6 6	2 14 0	8 14 0	1 7 0	1 12 5	11 13 5		
14 0 0	6 6	2 16 0	8 16 0	1 8 0	1 13 7.5	11 17 7.5		
14 10 0	6 6	2 18 0	8 18 0	1 9 0	1 14 9	12 1 10		
15 0 0	6 6	3 0 0	9 0 0	1 10 0	1 16 0	12 6 0		
15 10 0	6 6	3 2 0	9 2 0	1 11 0	1 18 2.5	12 10 2.5		
16 0 0	6 6	3 4 0	9 4 0	1 12 0	1 19 5	12 14 5		
16 10 0	6 6	3 6 0	9 6 0	1 13 0	2 0 7.5	12 18 7.5		
16 13 4	6 6	3 6 8	9 6 8	1 13 8	2 0 0	13 0 0		

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showing monthly receipts and payments will give a more true and accurate idea as to what the District does for the citizen. An equal wage of £6 per month has been selected from the list of tables showing receipts by the citizen on earnings from £6 to £16 13s. 4d. per month, or £200 per year. Any other equal wage could have been selected, but £6 per month is a fair figure, and representative.

From the foregoing table it is seen that the man earning £6 per month receives from the District £2 10s. 5d. more than he earns. He receives the equal wage, 20 per cent. of his earnings for special needs, 10 per cent for repairs, and is given a rental credit of 14s. 5d. for the month. Earnings of £6 per month, or £72 per year, would entitle him to the property use of £216, the use of which at 4 per cent. per annum is £8 12s. 10d., or 14s. 5d. per month. If this citizen has possession of £216 worth of property, he is charged 14s. 5d. for the use of it, in which case his rental credit for the month balances the rental charge against him. But he may

have possession of more than £216 worth of property. Let us suppose his average earnings are £8 per month, and that, on this basis, he has the use of £288 worth of property. The rental charge against him would be 19s. 3d. per month. His earnings being only £6 for this month, he would pay the District 4s. 10d. rent, the rent to be paid being the difference between the rental charge and the rental credit, or sixpence for each 4s. of decreased earnings, irrespective of the occupant's earnings.

If, from any unavoidable cause, this citizen should not be able to earn anything for the month, he would receive the equal wage, but not the 20 per cent., for this is based upon earnings. And in such case he would be charged with the full rental value.

It is observed from the above table that the citizen earning £6 per month receives his rent free, including the repair fund, and £1 4s. more in money than he earns. The man earning £8 per month receives £1 7s. 3d. more than he earns, or, his rent

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value and repairs being £1 15s. 3d. for the month, he earns 8s. towards these. The man earning £9 per month receives 15s. 8d. more than he earns, or earns 24s. on his rent value and repairs, and the man earning £10 per month receives 4s. more than he earns, or earns £2 of his rent and repairs. The man earning £10 10s. per month is fully self-supporting; that is, he earns all he receives from the District, and one and tenpence additional. On all earnings of £10 10s. per month and over, there is a gain to the District in the amounts and percentage shown in the table. On all earnings of £16 13s. 4d. per month, or £200 per year and over, the percentage of gain to the District is the same. These gains offset the losses, and make possible a more equitable distribution of the means of subsistence between the larger and the smaller earners.

CHAPTER XII.

INCOMES IN EXCESS OF TWO HUNDRED POUNDS PER YEAR, AND CAPITAL FOR BUSINESS PURPOSES.

ON earnings which exceed £200 per year, the citizen receives from the District on the first £200 the same as other citizens earning £200. From the excess, the District reserves for common use the same percentage as is obtained by it upon earnings of £200, pays the citizen 20 per cent. of the excess for special needs, 10 per cent. for repairs and maintenance, and gives him the use of the balance for business or other purposes. This makes the cost to all citizens earning £200 and up the same.

It has no doubt been observed that the percentage of cost to the citizen is a rapidly increasing one. If no limit were made, the cost on the larger earnings would be excessive and unreasonable. For instance, if there were no limitation, the cost to a

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Earnings, per year	Equal wage	Special needs, 20 per cent.	Repairs, &c., 10 per cent.	Property use of £600 4 per cent	Balance of excess, 47 per cent. capital, &c.	Total received	Cost to citizen
£	£	£	£	£	£ s.	£ s.	£ s.
200	70	40	20	24	0 0	154 0	46 0—23 per cent.
220	70	44	22	24	9 8	169 8	50 12—23 "
240	70	48	24	24	18 16	184 16	55 4—23 "
260	70	52	26	24	28 4	200 4	59 16—23 "
280	70	56	28	24	37 12	215 12	64 8—23 "
300	70	60	30	24	47 0	231 0	69 0—23 "
320	70	64	32	24	56 8	246 8	73 12—23 "
340	70	68	34	24	65 16	261 16	78 4—23 "
360	70	72	36	24	75 4	277 4	82 16—23 "
380	70	76	38	24	84 12	292 12	87 8—23 "
400	70	80	40	24	94 0	308 0	92 0—23 "
500	70	100	50	24	141 0	385 0	115 0—23 "
600	70	120	60	24	188 0	462 0	138 0—23 "
700	70	140	70	24	235 0	539 0	161 0—23 "
800	70	160	80	24	282 0	616 0	184 0—23 "
900	70	180	90	24	329 0	693 0	207 0—23 "
1,000	70	200	100	24	376 0	770 0	230 0—23 "
2,000	70	400	200	24	846 0	1,540 0	460 0—23 "
3,000	70	600	300	24	1,316 0	2,310 0	690 0—23 "
4,000	70	800	400	24	1,786 0	3,080 0	920 0—23 "
6,000	70	1,200	600	24	2,586 0	4,480 0	1,520 0—23 "
8,000	70	1,600	800	24	3,666 0	6,160 0	1,840 0—23 "
10,000	70	2,000	1,000	24	4,606 0	7,700 0	2,300 0—23 "
20,000	70	4,000	2,000	24	9,306 0	15,400 0	4,600 0—23 "

citizen earning £2,000 per annum on a yearly wage of £66 would be 56·7 per cent. of his earnings. So large a cost would make the citizen lose incentive, and would be injurious and detrimental to the business and industrial life of the country. It is therefore necessary to make a limit so that a sufficient amount of the citizen's earnings can be free for business and industrial purposes.

The preceding table shows what is received on earnings of £200 per year and upward, on an equal wage of £70 per year.

In this table each citizen is paid the equal wage, 20 per cent. of his earnings for special needs, 10 per cent. for repairs and maintenance of his real and personal property. On the first £200 of his earnings he is given the property use of £600, the use of which at 4 per cent. is worth £24 per year. On an equal wage of £70 per year each citizen also receives 47 per cent. of his earnings in excess of £200, which can be used for business purposes, or in a home and furnishings in the same way and in the same proportion as on earnings

below £200 per year. For instance, a citizen who earns £2,000 per year receives for living expenses the equal wage £70 per year and £400 special needs, or a total of £470. He receives £100 for the repair and maintenance of his house, and £100 for renewing and keeping up his personal property. Each year he is given the use of £846, making a total of £1,540 received, or of which he is given the use on a wage of £70 per year. On the first £200 of his earnings he is given the property use of £600, £400 in a home and £200 in personal property. If he desires a finer home he can make use of the £846 each year in this way until he has a property and furnishings of the value of £6,000, or three times the amount of his annual earnings, the same as any other citizen. Of this amount £2,000 can be in personal property such as household furniture and personal belongings for himself and family. But after he has obtained a home and personal property of this value, the excess capital each year must be invested, or made use of for business purposes.

It can, however, be used for the benefit of the family in case of sickness, for the education of the children of the family, and for purposes beneficial to the public at large, such as gifts to churches, colleges, hospitals, and for other public purposes, which gifts are controlled by the District and must be within a certain percentage of the citizen's capital in order to prevent more of the District's capital than is necessary being used for these purposes.

Since the State is the owner of all the real and personal property, and the citizen is the trustee, agent, or employee of the District, all the earnings of the citizen belong to the District, and the District has the right to limit or prescribe the use of its capital which it entrusts to the citizen. For these reasons it has a right to say how much of its capital the citizen may have for his own exclusive and personal use, and what proportion shall be used for business purposes, of which the whole community, as well as the citizen himself, receives a benefit. For capital used personally is dead capital; that is, it earns

nothing and benefits only the family which uses it. But capital invested in business, or to earn an income, is active and is beneficial to the District as well as to the investor.

The District also limits or fixes the amount given the citizen for living expenses. We have seen that the man earning £2,000 per year has £470 for this purpose. The man earning £4,000 per year has £870 and the man earning £10,000 has £2,070 for living expenses. This is neither an unwise nor an unreasonable law. The amount for this purpose is sufficient to satisfy any reasonable man. Take the man earning £2,000 per year. He can have a home worth £4,000, personal property of the value of £2,000, receives £100 per year for repairs to his property, and £100 per year for renewing and maintaining his personal property. He is given £470 for pure living expenses, and receives £846 each year to be actively invested in business or used otherwise. This is sufficient to enable him to live in a way, manner and style befitting his

station, ability and earning capacity. It is not sufficient to permit extravagance and luxury. The amount of money any man can use personally and really enjoy is limited, beyond which it becomes mere extravagance and luxury, in which the amount of real personal enjoyment is very small in proportion to the cost. If one man in any society is allowed to use £200,000 for a palatial home for himself, it means that one thousand men are the owners of no home at all. If one man is allowed to expend £200 for a cloak for his wife, it means that one hundred women must go without cloaks, wear old, worn and ragged ones, or possess none at all. If one man can sit down to a banquet costing £20 per plate, it means that one hundred men must go without, or be content with half a supper. In any society in which all the people are to fare well, the luxuries and extravagances of the few must be dispensed with. Poverty can never be removed or avoided, unless a limit of some kind is put upon the expenditures of the rich.

On a wage of £70 per year, the citizen is given the use of 47 per cent. of his earnings in excess of £200 per year for business, home, or investment purposes. The 47 per cent. of excess earnings is obtained as follows : the District deducts for general use the same percentage on the excess as is obtained by it on the first £200, which is 23 per cent. Thirty per cent. of the excess is paid the citizen for special needs and repairs, making a total of 53 per cent., and leaving 47 per cent., the balance, which is given the citizen for business purposes. The cost to the citizen, as well as the amount he receives for business purposes, depends upon and varies with the amount of the equal wage.

The following table shows the cost to the citizen and the amount of capital reserved or given him for business purposes on an equal wage of £5 to £6 per month.

Table showing the percentage of cost to the citizen on earnings of £200 per year and over, and the percentage of the excess earnings reserved as capital for business purposes :—

EARNINGS £200 PER YEAR, OR £16 13s. 4d. PER MONTH.

Equal wage	Cost to the citizen on £16 13s. 4d.	Percentage of excess earnings for business purposes
£ s. d.	£ s. d.	
5 0 0 per month	4 13 4 or 28 per cent.	42 per cent.
5 2 0 "	4 11 4 " 27·4 "	42·6 "
5 4 0 "	4 9 4 " 26·8 "	43·2 "
5 6 0 "	4 7 4 " 26·2 "	43·8 "
5 8 0 "	4 5 4 " 25·6 "	44·4 "
5 10 0 "	4 3 4 " 25·0 "	45·0 "
5 12 0 "	4 1 4 " 24·4 "	45·6 "
5 14 0 "	3 19 4 " 23·8 "	46·2 "
5 16 0 "	3 17 4 " 23·2 "	46·8 "
5 18 0 "	3 15 4 " 22·6 "	47·4 "
6 0 0 "	3 13 4 " 22·0 "	48·0 "

In countries where the equal wage is higher than £6 per month, it would be necessary to raise the figure at which the excess capital begins; otherwise, the State would not receive enough from its larger earners to sustain itself. On an equal wage of £8 per month, the limitation would be £260 ; on £10 per month, £320; and on £12 per month, £400, which would make the cost to all citizens above these amounts from 20 per cent to 22 per cent., as will be seen by the tables at pp. 127-130.

CHAPTER XIII.

DISTINCTION BETWEEN SINGLE AND MARRIED PERSONS.

A DISTINCTION is made between a householder, or a head of a family and a single person or worker. What the head of the family receives outside the equal wage is based upon need, and in some instances the equal wage is paid solely because of need, as when the citizen is unable to obtain employment. But with a single person having no family of his own or no one dependent upon him, the case is different. For instance, a single person living at home whose parents provide and maintain the home and who are able to partially or wholly support their children, does not have the needs of a head of a family or of a single person upon whom someone is dependent for support. For this reason, such persons are paid the equal wage only and are not allowed the

special need, repair and property funds unless their earnings are in excess of their receipts. A family which is composed of at least two persons has need of the equal wage and the special need, repair and property funds. But it would be an economic mistake for the District to grant all these allowances to a single person whose earnings are less than his receipts, unless there was need of them for the person's maintenance and support, the need of the citizen being one of the basic and fundamental laws of the land outweighing any economic considerations. Hence, such person is paid the equal wage only, this also being one of the fundamental laws of the land to which there are but few exceptions.

But single persons whose earnings are in excess of their receipts are allowed the same as heads of families. In such case there is no economic loss to the District, and while there may be no need on the part of the citizen arising from the necessities of life, there is a higher need of an ethical character in that the citizen's in-

centive must not be destroyed by requiring too large a part of his earnings for public purposes. There are also other needs of the single person which should not be ignored. Something is generally required for education, training, or there are special needs in getting established in a trade, business, or profession. The mechanic needs tools, the farmer implements, stock and poultry, the professional man office equipment, and the business man capital. Thus, while needs for living expenses are less, other needs in obtaining a start may be fully as large and urgent. Hence, when the citizen demonstrates by the amount of his earnings that he possesses the proper ability and capacity, he is granted the full allotments for these purposes. This reasoning, of course, does not apply to a single person fully established, and many citizens favour a further distinction in order that income may be based strictly upon needs. This, however, is a question to be adjusted in the future.

Likewise, a single person upon whom another or others are dependent for sup-

port is paid the full allotment, for such a person is the head of the family. Family groups are formed in various ways. A householder or head of a family does not necessarily mean a married person. Anyone who maintains a lawful and legitimate home is the head of a family, and entitled to the full allotment. This includes a widower maintaining a home with one or more children, whether minors or of age; a son or daughter living with a widowed mother; a brother and sister living together, or an elder brother or sister at the head of a family of younger brothers and sisters. In case of the death of the husband, the wife or any one of the children, without respect to age or sex, may become the head of the family entitled to the full allotments in accordance to earnings. Generally, that one of the family who has the highest earnings becomes the head and the property and other allotments are based upon his or her earnings. In such case, other members of the family are treated as single persons.

If a family so desires, the earnings of

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all can be combined, in which case it is paid but one equal wage, but the special need and property funds are thereby enlarged. The earnings of all minors are added to those of the head of the family, since there is but one wage paid on the combined earnings with special need and property allotments in accordance with the whole. The earnings of the wife are also added to those of the husband, the two treated as one and paid but one wage. Also the wife may be the head of the family in case her earnings are more steady than those of the husband.

The father is, primarily, liable for the support of the wife and children, wilful non-support being a criminal offence, with prison sentence in extreme cases. In other cases, a less extreme remedy may be used, as where the father is improvident, or selfish, the income can be ordered to be paid to the wife. If both are improvident and improperly support the children, a guardian may be appointed to administer the income for the best good of the family.

There is no distinction as regards males

and females in the payment of the equal wage. All earners of legal age, whether male or female, are entitled to the equal wage. The only exceptions are minors, and in case of marriage but one wage is paid a husband and wife. The payment of the equal wage to women the same as men has had a tendency to increase the wages of women in nearly all the industrial, mercantile, and professional occupations. There are very few single women who do not deserve as much as they receive, from £5 to £6 per month. Any attempt upon the part of merchants or manufacturers to reduce the wage of women below the wage paid by the District results in public disfavour and a loss of business and patronage which few can afford to incur.

Another distinction between a single person and a head of a family is that when the head of a family is unable to obtain employment the District obtains it for him, and if unable to do so, pays him the equal wage. But such is not the case with the single person living at home and upon

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whom no one is dependent, or whose earnings are not necessary for the family's support. In such case, the equal wage is paid only when the person has employment.

In some Provinces there is a limitation as to the cost to the citizen so that the cost cannot exceed 20 per cent. or 25 per cent., whatever the limitation may be. Where there is such limitation, the amount of earnings at which the excess begins may vary. If the limitation should be 25 per cent., it is seen from the table on page 146 that on an annual wage of £66 the limit is reached at £200. If the annual wage should be less than £66 the limit would be reached at a figure less than £200 per year earnings. For instance, if there should be an unusually poor year, and the annual wage paid only £46, the limit would be reached at about £140 instead of £200. In such case, on all earnings over £140 per year the District would deduct the same amount as is obtained by it upon the first £140, pay the citizen 30 per cent. of the excess for special needs and repairs,

and give him the use of the balance for business or investment purposes.

The District auditors have a simple device for finding the lower limit in case the annual wage is less than £66 on a 25 per cent. limitation. It is simply this: for each four shillings the annual wage is less than £66, lower the limit twelve shillings. This brings it within the 25 per cent. limitation.

CHAPTER XIV.

RETIREMENT BENEFITS, AND PROVISIONS FOR WIDOWS AND ORPHANS.

UPON retirement each householder retains his household goods and personal effects, and is given a homestead in value twice the amount of the average of the annual earnings for all the years he has worked. He is also paid the equal wage and 20 per cent. of his average annual earnings for special needs, and 10 per cent. for repairs and maintenance. Thus, if a citizen's average for all his working years is £160 per year, he would receive upon retirement £32 per year for special needs, £16 for repairs, &c., the equal wage, and a property to live in of the value of £320. This enables every citizen during old age or disability to live in a property and on a plane and in a manner in harmony with his former method of living.

There are no paupers, no infirmaries, nor poorhouses in Equaland. There is no

necessity for them. Every man is paid a wage and income during his entire lifetime sufficient to support him on an equality with other citizens and in accordance with what he has been accustomed. Instead of infirmaries, there are hotels, sanitariums, and old folks' homes. There is no charity about them. They are conducted by individuals or corporations for profit. The guests pay their board and other expenses from the wage and income received from the State.

Retirement does not occur at any specific age, but depends upon the health, strength, and capacity of the citizen. It may occur any time the citizen becomes incapacitated, as by accident in the prime of life or decline in old age. As a man begins to decline, he obtains lighter work requiring less hours of labour, sometimes the District finding it for him. Most men desire to be busy or to work at something. When the citizen is no longer able to work, he makes application to the District Retirement Board to be placed upon the retired list.

The retirement privileges are taken advantage of chiefly by the working man and salaried employee who has little or no capital. Whatever real or personal property he has had the use of for business or earning purposes is surrendered to the District, and in return therefor he receives an income based upon his average earnings. When a business man retires, whatever business, capital, or investments he may possess are surrendered to the District. When a farmer retires, he surrenders the farm he has been occupying. The same is true of every other citizen. However, business men and others, who have obtained possession of capital which has been invested so as to bring an income, generally rely upon their business or income to take care of them in old age.

Upon retirement, a man and wife are given the privilege of selecting the mode of life that suits them best. Not all old people desire to, or are able to maintain a home. If they should desire to board, travel, live at a sanitarium, or old folks' home, the District gives them the right to

do so. In such case, instead of selecting and occupying a property, they are paid its rental value; that is, if there is a good demand for houses and few or no vacancies. But if there are vacant properties, and especially of the size and value to which the couple is entitled, the District could not afford to pay them the rental value and have the property vacant. In order that there may be no loss to the District from too many old people living in sanitariums which are attractive and desirable places, the District requires all those who are able to keep house to select a property in case there are vacancies, the rental value of which is paid them if they do not wish to occupy it, only in the event of its occupancy by others.

Those who desire to maintain a home generally select a house of the size and value to which they are entitled, though they may remain in any property of which they have the possession, if they so desire. But by selecting a property of the value to which entitled, the payment of rental charges is avoided. Having selected a

home, the man and his wife are entitled to its possession and occupancy the remainder of their lives.

Upon the death of either the husband or wife, the survivor receives one-half the equal wage, 10 per cent. of the average annual earnings for special needs, 5 per cent. for repairs and maintenance, and the property use of one and one-half times the average annual earnings. This is one-half of what the husband and wife together receive, and is based upon the theory that it requires one-half as much for living expenses and other needs for one person as for two. With proper management, supplemented by personal efforts to earn something, which the District expects of all who are able, the income paid is sufficient to enable the widow or widower to live in a manner in harmony with their former methods of living. In cases of infirmity, further allowances are made in accordance with needs. If the husband dies leaving the widow and minor children, the widow is given additional house value in accordance with the size of the

family. She is also paid certain amounts for the support and maintenance of the children.

The husband and wife have a joint ownership in all capital or earning property acquired by either during the marriage, and upon the death of the one the other may claim its use and ownership for support instead of relying upon the above provisions. In case of the wife, the income therefrom is supplemented by the District if not sufficient for the support of herself and children. The reason for the joint ownership is that the wife, in maintaining the home while the husband is making money, is an equal partner and contributes as much to the success of the whole as the husband. It also gives the woman who marries as good a financial prospect for life as the one who engages in a business or occupation for herself. The use of the joint capital cannot, however, be carried into a second marriage, except that portion in fact earned by the one remarrying. The wife upon remarriage thereby gains another means of support

and would not need the use of the joint capital for this purpose unless she had earned it, or a portion of it, herself, in which case she would be entitled to the continued use of what she had earned, the same as the husband.

In case of the death of both parents, certain payments are made to, or in behalf of, the minor children for their support and education. It must be remembered that no property, real or personal, can be inherited. The rights of the children are obtained directly from the District itself. When old enough, they acquire the use and title to property from the District in accordance with earnings. But this leaves the children, until they are old enough to earn for themselves, without an income or means of support. This is why they are paid incomes for their maintenance and support.

Since all the property or wealth of the parents reverts to the District upon their death, the District in return endeavours to support each child, and give it as good a living, education and training as the

parents would have done, if living. The income paid the child is a certain amount per month according to age, to which is added a certain percentage of the parents' average annual earnings. It is sufficient to secure good homes for all children among the people. Families compete with each other for homeless children, and old ladies and widows help support themselves by furnishing them a home. Most children are free from institutional life which is lacking in home influences and home surroundings so essential to the welfare and happiness of the child.

There are no paupers, no charities, nor charitable institutions in behalf of children. Every orphan receives an income in his own right from the State sufficient for his education and support, because he has need of it, and in order that he may become a useful and self-supporting citizen.

CHAPTER XV.

A CONCRETE EXAMPLE AND ILLUSTRATION.

To illustrate the operation of a District as a whole, the following facts and figures have been obtained from the Kijabe District containing about one hundred thousand population. Approximately, 70,000 people of this District live in towns and cities, the largest city, Kijabe, containing about 60,000 people, with smaller towns of 300 to 2,000 population. The citizens of Kijabe and the smaller towns are merchants, storekeepers, manufacturers, professional men, clerks, mechanics, and workers of various kinds, while agriculture is carried on in the country sections and is an important industry. There are both larger and smaller Districts in the country, the larger being city Districts and the smaller rural. The operation of the system is the same, however, in every District, since the principal difference is

in the amount of earnings as a whole and the number of workers, with some variation as to the percentage of cost of operation.

In the Kijabe District there are 26,692 citizens entitled to the equal wage, 24,647 of whom are active earners and 2,045 wholly or partially on the retired list. The whole number of active workers in a community range from one-third to one-half the total population. Only about one-fourth the population, however, receive the equal wage and other allotments. The reason is, as before stated, the earnings of minors, which comprise more than one-third the total population and less than one-tenth of whom are workers, are added to those of the parent, or head of the family. The earnings of wives who work are also added to those of the husband. And after deducting the number of daughters living with parents, also students and others who as yet have no regular occupations, the number of earners entitled to the equal wage is reduced to about one in four of the total population.

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The earnings of the active citizens of this District range from £6 to £20 per month, with a number of business and professional men, and farmers earning from £400 to £600 per year, or an average of £50 per month. Several citizens earn from £800 to £1,000 per year, and a few of the most successful ones £1,600 to £2,000 per year.

The earnings of all citizens for the month just closed were £323,395, or an average of £13 2s. 5d. for each of the 24,647 active workers. An average of £13 2s. 5d. per month, or £157 per year, compares favourably with the average earning of the citizens of several European countries, although it is a low average as compared with other countries. There is a great difference in the earnings and income of citizens of various countries, due to various causes such as low wages, lack of skill and education, poverty of natural resources, over-production, over-population, and many other causes. In India, China and Japan earnings are low, while the countries of

eastern Europe do not compare favourably in this respect with western Europe and the United States.

In Germany the common working-man was able to earn about £120 per year immediately after the war. Skilled workmen and those engaged in business and the professions made more, to which is to be added the earnings of the wealthy classes, making the average earnings about £180 per year. In settling the railroad strike in England the first year after the war the Government agreed that the lowest paid railroad men should receive not less than £10 per month, or £120 per year. At this time the lowest paid railroad men in the United States—the section men—were paid about £180 per year. Taking this basic industry as a criterion and supposing other industries to run in the same proportion, earnings in the United States at this period were 50 per cent. higher than in England. This corresponds with one authority, who computed the average annual income of a head of a

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family in the United States at £330; in England £226; and in France £170.

These figures, however, were for the period immediately after the war, when wages and prices were the highest. Since then there has been considerable reductions in various countries, especially in Germany and other European countries, where the earning power of the citizen has been greatly reduced by the depreciated currency, and which will remain so until there is relief from national and international debts.

The earnings for the month in the Kijabe District were distributed as follows:—

Total earnings	£	£	
	323,395		
	64,679	20 per cent	Special need fund.
	32,395	10 „	Repair and maintenance fund.
	73,096		Total public expenses.
	6,667		Use of excess capital—44·4 per cent.
	<hr/>		
176,837	176,837	Total for all purposes, except equal wage.	
	<hr/>		
146,558	Wage fund.		

The wage fund of £146,558 gave a wage of £5 8s. to each of the 26,692 citizens, and left a balance of £2,221 in the treasury.

From the total earnings of £323,395, 20 per cent. was deducted for special needs, 10 per cent. for repairs and maintenance, and £73,096 for public or common uses, such as cost of administration, salary of District officials, maintenance of schools, police and fire departments, the incomes paid retired citizens, widows and orphans, and such other public expenses as are raised by taxation in other countries.

There are a number of citizens whose earnings are in excess of £200 per year, or £16 13s. 4d. per month. As heretofore explained, these citizens are given the use of a certain percentage of the excess earnings, dependent upon the wage to be paid, for business and other purposes. The excess earnings for the month were £15,510. It was found that after deducting the special needs, repair and general public expense funds, out of the balance an equal wage of £5 8s. could be paid each citizen, leaving a balance of £2,221. On a wage of £5 8s., citizens whose earnings are in excess of £16 13s. 4d. per month are entitled to the use of 44·4 per cent. of the

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excess, making £6,667 which must be deducted for this purpose before the payment of the equal wage.

The wage fund is the balance of all the other items. It is what is left after providing for all fixed charges and expenses. It is the one variable and changeable item—the adjuster of all the other items, so that whatever the earnings, the system is workable.

The 20 per cent. paid each earner for special needs, the 10 per cent. for repairs and maintenance are fixed charges. So are the incomes paid retired citizens, widows and minors, and the amount to be reserved for business purposes. The amount required for public expenses is also fixed and certain, being determined in advance for each year by an Appropriation Board, the same as public expenses and taxes are determined in other countries. A certain proportion of the yearly public expense is deducted from each month's earnings, thereby eliminating the payment of taxes, which is an unnecessary process under State Socialism. All these items

are fixed and definite, easy to determine, and with what is left for wages the system is easily operated.

In the Kijabe District the earnings of all citizens for the last fiscal year were £4,043,950. The equal wage averaged £5 12s. per month, leaving a balance of £1,887 in the wage fund at the end of the year. The excess earnings amounted to £287,727. Deducting this from the total earnings, there remains the sum of £3,756,223, representing the earnings of all citizens whose earnings were £200 per year and less. These citizens were entitled to the use of £11,268,707 worth of property, £7,512,422 in houses, farm buildings, &c., and £3,756,222 in personal property, to each three times the amount of his annual earnings. As a matter of fact the District has more than this amount in houses and buildings, and the citizens have more than this amount of personal property. The year being slightly below the average, there was a considerable sum paid the District as rental charges. But the present year may be above the aver-

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age, in which event an equal amount of rental charges may be returned the citizens.

While a certain amount of personal property is perishable, such as household goods, furnishings, farm machinery, tools, &c., a large part used as capital for business purposes, investments, &c., is permanent in character and is accumulative and keeps adding to itself. For this reason, in the course of time the amount of personal property in a District may equal or exceed the amount invested in houses and buildings.

The total public expenses for the year were £1,026,036. Of this amount £326,484 was paid for cost of operation, official salaries, schools, police and fire protection, &c., which sum compares favourably with the general public expenses of a similar well improved and prosperous District or county in the United States. The sum of £368,559 was paid for the support and maintenance of retired citizens, widows and orphans. The cost of State Socialism may seem considerable to citizens of other

countries. But in no other country are there as many benefits and privileges returned to the citizen. The District makes nothing from its citizens. All that it takes from them, outside of necessary operating and running expenses, is returned again. The above amounts not only cover ordinary public expenses, old age and accident insurance for the citizen himself, but also the most liberal and complete insurance known in the world for his wife and children in case of his decease.

After deducting the two items above from the total public expenditures, there remains the sum of £330,992. This is known as the property fund, and is the source from which the District obtains and perpetuates the property to which its citizens are entitled to the use in accordance with earnings. It has been seen that the citizens of this District, according to the earnings for the last fiscal year, are entitled to the use of £11,268,707 worth of property. Supposing the earnings to be about the same for a number of years, the £330,993 amounts to £11,584,755 in thirty-

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five years. It is thus seen that the system is self-supporting and self-sustaining. All the real and personal property of which the citizen is given the use could be renewed every thirty-five years. But this is not necessary. While a part of the personal property is perishable it is replenished by the maintenance fund of 5 per cent. per year, its average life being twenty-five years. But the houses, farm buildings, &c., are permanent in character and last several generations. It is thus seen that the older and more improved a country becomes, not so much is required for building purposes, and, except the allowance of a certain percentage for decreased values and decay, only the increase of population or increased earnings need to be provided for. Not so much being required for building purposes leaves a larger amount to be distributed as wages or in other benefits.

It is thus seen that there are no more difficulties or obstacles in operating a District than there are in the running of an ordinary County, Shire, or Municipi-

pality elsewhere. Public or common expenditures include more items than elsewhere and a larger percentage of the people's earnings are required for common uses. But there is no indefiniteness or uncertainty. There are no unknown or unascertainable factors so far as the public as a whole is concerned and which cannot be provided and taken care of. And so far as the citizen himself is concerned, the only indefinite factor is the equal wage. But this is determined and paid each month, and the variation is not large enough to cause any uncertainty or inconvenience regarding living expenses.

CHAPTER XVI.

PUBLIC AND PRIVATE IMPROVEMENTS.

THE method of making and paying for public improvements does not differ greatly from that employed in other countries. Public improvements of a general nature and beneficial to all the people, such as sewerage, water, &c., are paid for by the whole community, money for which is raised by District bonds. For making improvements which especially benefit a certain class, such as street improvements, country roads, drainage, irrigation, &c., bonds are issued and the cost of the improvement is assessed against abutting properties according to benefits, and paid for by the occupants by means of rental charges.

The value of the improvement is added to the value of the property. The property is benefited, or increased in value by the amount of the assessment. The assess-

ment is made upon this basis. Hence, the property holder is charged rent on whatever property value he may be using more than he is entitled to by reason of the improvement. For illustration, suppose a street or other improvement of the value of £40 has been made to a certain property, the property is valued at £400 and is occupied by a citizen earning £200 per year. By reason of the improvement the property is now worth £440. Money to make the improvements is obtained by bonds to be paid for in ten years at 4 per cent. interest. The District or Sub-district makes the yearly payments on the bonds. The first payment is £5 12s., being £4 principal and £1 12s. interest. If the earnings of the occupant of the property remains the same, he is charged with occupying £40 more property than he is entitled to at 8 per cent. per year, and the interest on the bonds, making a total of £4 16s. On ten-year bonds the rent and interest paid by the citizen almost equal the payments on the bonds made by the District. Improvement bonds are fre-

quently made payable in fourteen years, in which case the yearly rental charges paid by the citizen equal the payments made by the District.

When the bonds have been paid, the interest charge ceases. But in case the property holder does not increase his earnings, he continues to pay rent on whatever value the improvement adds to the property according to its condition. As streets and other improvements are used and much worn by the public and in time have to be rebuilt, it would not be just to keep charging the property holder rent on the original cost. Appraisements, therefore, are made every five years to determine their condition and real value to the abutting properties.

Rental charges made on account of public improvements may cease by the occupant of the property assessed increasing his earnings, for he thereby becomes entitled to the use of more property. The District can give him the use of this increase in a street, or any other improvement, as easily as in an addition or

improvement to his house or in a more valuable house. The one costs it no more than the other. It is thus seen that the District or Sub-district obtains money for special improvements upon its bonds, makes payments on the bonds out of general funds, and reimburses itself by means of rental charges on whatever values the improvements add to the benefited properties.

A similar method is used in behalf of farmers to borrow money to make land improvements for the purpose of increasing earnings. Principal and interest are paid for by the Sub-district out of common funds, the farmer being charged interest and rent. All such loans must be approved by the Sub-district Board. Or the landholder can borrow on his own responsibility without the approval of the Sub-district Board, the principal and interest to be paid out of his own income—the equal wage and special need fund, the loaner having a lien on these until paid. If the earnings should increase, the borrower obtains funds from the Sub-district,

to which he is entitled by reason of the increase, to discharge the debt, the loaner also having a first lien on this fund.

There are other regulations, methods, and laws covering the loaning of money to make land improvements which we will not take the time to elaborate. Suffice it to say that all such loans are permitted and obtained with the view of increasing the earnings of the farm and which the occupant is not willing or cannot do by his own labour. Considerable money is borrowed in all agricultural Districts for this purpose, and it is a means of developing and improving the country much more rapidly than otherwise.

On the other hand, many landholders make their own improvements without borrowing. Those whose earnings are in excess of £200 per year frequently make use of the surplus for this purpose. It has been shown that on an equal wage of £5 10s. per month the citizen is given the use of 45 per cent. of the excess. Thus, a farmer earning £400 per year would be given the use of £90 a year or £410 in five

years. The best place for him to use this capital would be in making improvements on his own farm to increase his earnings; to invest it where it would be under his own control and mastery. In case of a sale of his rights, or his removal to another farm, he would receive whatever he has so expended in money or in other property. Those whose earnings are less than £200 per year make improvements by performing the labour themselves and by paying for what material is necessary out of their individual income. By so doing, no rental charges are incurred. Many like the independence and freedom from any debts or charges to be deducted from their income. By improving and reclaiming the land, the farmer increases his earnings. For every £20 added to his earnings by draining, irrigating, clearing, and reclaiming an acre or two of land, the District gives the landholder £60 for more buildings, furniture, machinery, or to be used in the improvement and reclamation of still more acres. The landholder thus goes on bettering his surroundings and

condition, bettering his farm, buildings, and all connected with it, increasing his earnings with the assurance that he can have the use of the farm as long as he desires, and receive from the District, when he is no longer able to work, retirement benefits in conformity and harmony with his method of living during his active years. Or, what is more probable, by reason of his having increased his earnings, he is likely to receive an award from the District of a more valuable, better, and more productive farm than his own, and thus keep on going up and up, the position he finally occupies being limited only by his own ability and capacity.

The banking business of the country is upon a sound and safe basis. It has been observed that in loans made to landholders for land improvements, the Sub-district pays the principal and interest and in return charges the farmer rent and interest. A whole community being thus responsible for an obligation makes it as safe and secure as a bond. The Sub-district has a sure and easy method of

collecting any rental charges or interest due it by simply deducting the amount out of the equal wage or other income going to the citizen.

The District itself, being similar in working principles to a corporation, is often a large borrower for various purposes. Large sums are also loaned business men and corporations, and upon bonds for making public improvements of all kinds. Money loaned business men is protected by a lien upon the business, and the banks are further safeguarded by a superior system of knowing and ascertaining the condition of any business at any time.

There is a larger proportion of capital free for business and industrial purposes than in other countries. The reason is that since all land is owned by the State, there is no buying and selling of the fee as between individuals, leaving a larger amount of capital free for other purposes. As a consequence, there is ample capital for business and industrial purposes, and for developing the great and almost unlimited natural resources of the country.

CHAPTER XVII.

A NEW COMPULSORY OCCUPATIONAL LAW.

EVERY citizen who is paid the equal wage must perform the same or average number of yearly labour hours. A compulsory occupational law requires every citizen who is able and capable to become an employee of the State and to engage in some work, employment, business, or occupation. Wives and others having household duties or the care of a family, and children supported by parents are excepted. So are citizens upon the retired list, mothers having the support of a family, and others able to devote only a part of their time to earning. Those citizens able to work only a part of the time are paid a proportionate part of the equal wage to correspond with the number of hours performed. With the above exceptions, all citizens must become actively employed as workers and earners for the

District and perform the requisite number of labour hours.

There are no idlers, neither an upper rich, nor a lower poor class, living off the rest of society. If poverty is to be eliminated in any country it is as necessary to abolish the one class as the other. If all citizens are to fare well, all must be of service to society. All must contribute time, labour and ability for the maintenance of themselves and for the benefit of the community as a whole.

If the citizen is not able to obtain sufficient work to perform the required number of labour hours, the District obtains it for him, and if it fails or neglects to do so, the citizen is entitled to the equal wage. The citizen must be willing and ready to work at all times. This entitles him to the wage if the District fails or neglects to furnish the necessary amount of work.

While the District guarantees employment to every citizen in case he cannot find it himself, it does not assume to furnish any particular kind of employment. Each citizen must maintain him-

self in his particular trade, business, or occupation, and perform the requisite number of labour hours therein. If he fails to do so, the District, through its central employment bureau, furnishes him work with farmers during busy seasons, with other employers of labour, and upon public works. Farmers who fail to perform the necessary number of hours make up the average on public roads and ditches.

The labour hours performed by wives and minor children who assist in supporting the family by working part of the time are added to those of the husband, and the family receives but one equal wage. The earnings and labour hours of a father and grown son or daughter, living at home, are sometimes joined when either is unable to find sufficient employment to cover the requisite hours. The great majority of citizens, however, succeed in finding sufficient employment in their regular occupations without joining labour hours, for by natural laws the different trades and industries adjust themselves to

each other as to the amount of work to be performed in each. If business or production is good in the chief industry of a District and labour well employed in it, the same condition prevails in other industries and pursuits. All business, including every occupation and pursuit, is so related and interdependent that one cannot be prosperous without having its effect upon the others. For instance, in those Districts in which agriculture is the principal occupation, if it is a good year for crops and farmers are required to perform more hours, the large crops cause more business and activity in all other trades and pursuits. The same is true whatever the chief industry of a District, whether mining, manufacturing, or agriculture.

Agriculture is the chief occupation of the country at large, and is the basis and foundation of all other industries, both as to business conditions and the number of labour hours required. Monthly crop bulletins are issued showing crop conditions in each District. Manufacturers and business men are given reliable infor-

mation as to what are to be business conditions for the year from these reports, and regulate their activities accordingly.

But further than this, each District issues a monthly report giving the number of labour hours performed during the month in the District. These reports cover every work, trade, business and occupation, and give the average number of labour hours performed by all citizens in the District during the month. They are awaited with much interest by the people, for from them each citizen is informed whether he is keeping up with the average.

At the end of the year, the average number of labour hours performed by all the citizens of the District is ascertained, which number each citizen is required to perform for the year. At the end of the year some are above the average, some below. Those below the average must make up the deficiency the beginning of the next year on public works if necessary. A proportionate amount of the equal wage is withheld until the deficiency is made

up. Those above the average have the excess credited to the next year, or to any future year in which they may fall below the average. Many citizens keep ahead of the average and have labour hours to their credit in case of future contingencies.

The District does not attempt to control labour, designate or limit the number of hours to be performed each day or year. During the growing season farmers work a large number of hours per day, making up for the off season when little work is to be done. They are perfectly free as to how many hours per day, and as to when they work, the only requirement being that they perform the required number of yearly hours. This is the case with all the trades and industries. The number of hours per day is regulated by custom, the condition of the industry, the supply and demand for labour and not by law. Neither is the number of yearly hours arbitrarily fixed, but automatically adjusts itself according to the amount of work to be done. In busy and prosperous years all workers put in more time; in

poor years, less time. The yearly average varies from 1,500 to 2,000 hours, the monthly average from 120 to 180 hours, and the daily average from 5 to 7 hours. There being no idlers and much of the common labour performed by labour-saving machinery, the number of labour hours are less per day than in other countries where these conditions do not prevail.

The law requiring every citizen to perform the average number of yearly labour hours is strictly enforced. Sickness or disability excuses the citizen, during which he is supported by the District. If it is but a temporary indisposition, the lost time must be made up before the end of the year. But in cases of severe illness the citizen is given sufficient time to recover and is not required to make up the lost time unless physically able. Furthermore, he is paid an additional income if needed by the family on account of sickness.

The District also supports the citizen when he is out of employment in case it

is unable to find employment for him. It refuses support only when the citizen refuses such work as is offered him. The citizen who does not work or who earns nothing has no income and receives nothing from the District, for what he receives is based upon what he earns. It is extremely difficult for one to live without work, and few attempt it, for there are no public charities, and soliciting of alms is prohibited by law. The District provides for the citizen under all circumstances, except those who refuse to work. Hence, extensive public and private charities as in other countries are unnecessary, and there is no excuse or reason for begging or the solicitation of alms.

The District is very good to the citizen who does his part, but very severe to the one who is able but does not. If a citizen is not reporting a reasonable number of hours at the office of the Sub-district in which he resides, there is an inquiry and investigation. If there is no apparent physical ailment, a medical examination is made to determine the amount of energy

and vitality possessed, and if deficient in these, the citizen is treated. Laziness is a disease and is often cured, so that the citizen becomes a willing and ready worker. It is only the wilfully lazy and the habitual shirkers that the District has to deal with, and its measures with these are severe when necessary.

The wilful and persistent shirker may be sentenced to hard labour on public works under guard and with ball and chain. If this is not sufficient, he may be given a term in a reformatory or penitentiary, at some hard, disagreeable and undesirable labour. Most of the hard, undesirable and unhealthy work is performed by the criminal class instead of the poor and unfortunate as in other countries. For instance, since there is practically no child labour, the unhealthy and dangerous work such as that performed by breaker boys at coal mines is performed by criminals. Other kinds of unhealthy and undesirable work are given the criminal, due consideration given the condition of his health in any work assigned him.

Notwithstanding this feature, the penal system of the country is one of the best and most humane in the world. The relationship of the citizen to the District is not changed by the conviction of crime and the serving of sentence. He is still the employee of the District, his earnings are accounted to the District, and he receives the same income and wage as other citizens in accordance with earnings. Out of his income, the prisoner's maintenance is paid while serving his sentence. The rest is applied upon the support of his family, if he has one; if not, he obtains the use of it upon his release. The District supports the dependent families of its prisoners. The penal systems of other countries in taking a criminal from his family, in making the innocent family suffer in this way for the crime of the father, in paying the criminal no wage, in turning him out at the end of his term practically penniless, do not give the criminal a fair chance, and are costly to the State. A penal institution that cannot be run upon a business basis and pay a

profit out of its proceeds is not worthy of existence.

There is not a large class of confirmed criminals here as in other countries. The penal institutions of most countries are filled with men who, because they have committed one crime, are given no chance to earn an honest living, and are thus forced to a continuance of the criminal life. It is extremely difficult and often next to impossible for the criminal to find employment. But in Equaland, after serving sentence, the criminal is given the same chance and opportunity and is placed upon exactly the same basis as other citizens. Upon his return to his District, if he is unable to find employment himself, the District obtains it for him, or pays him the equal wage if it fails in doing so. Being thus assured employment, or a means of support, there is not the inducement to the continuance of the criminal life. Neither are there the incentives or opportunities to enter the criminal life in the first instance. Much crime is the result of idleness and the lack of

employment. But in a country in which all are required to be workers, and in which idleness is prohibited by law, many a young man who might have become a confirmed criminal is made a useful and serviceable citizen.

CHAPTER XVIII.

MEANS OF ASCERTAINING THE NUMBER OF LABOUR HOURS.

THE question naturally arises: What means has the District of ascertaining the number of labour hours performed by each citizen? The citizen being the employee of the District, his wages and earnings are not payable to himself but to the District, as would be the case with a business firm or corporation. What the employee of the business firm earns belongs to and goes to the firm. The business transacted is in behalf of the firm. All moneys received, representing profits or earnings, go to the firm, since the employee is paid a specified amount for his work or services. The same principle is applied to the District and its citizens or employees.

Workers of every kind employed in stores, offices, factories, the trades, and at common labour, are paid for their services

by cheque, stating both the amount payable and the number of labour hours performed. These cheques are required by law to be made payable to the Sub-district in which the citizen resides per himself, as follows :—

“ Pay to the order of Sub-District No. 10, of District No. 21, per John Smith, the sum of Four pounds.

The General Supply Company,
Per ——— Treasurer.

For forty hours' work.”

This cheque cannot be used personally by John Smith or cashed by him. The only use he can make of it is to turn it into the Sub-district office, and obtain credit for the amount of earnings and the number of labour hours performed. All citizens report their earnings to, and deal with the Sub-district in which they reside. This is for the convenience of the District and to facilitate the operation of the system, since a District is divided into a number of Sub-districts, each containing from 500 to 2,000 or more population, about one-fourth of whom are workers or employees of the District.

In all the towns and cities, a large number of citizens are employees of different business houses, firms, companies, and corporations which not only keep an account of their employees' time, but generally pay in accordance with time. Such being the fact, it is an easy matter for the District to obtain from the different firms and corporations the number of labour hours performed by each of their employees by requiring them to be stated upon the pay cheque. Payment by cheque is an easy, safe, and convenient method of paying employees, and is in general use in all countries. Perhaps a more general and extended use is made of it in this country, because it is so well adapted to the operation of its economic system.

Hence it is that pay for all kinds of work and service is generally made by cheque—the day labourer performing odd jobs here and there requiring a few days or only part of a day, as well as the regular employee of the business firm or corporation. Professional men, such as doctors and lawyers, are also generally paid by

cheque, the number of labour hours stated thereon, the same as on the pay cheque of the commonest labourer. The same is true of the bank president, cashier, the manager of a large business firm or corporation, the directors and stockholders, as well as all the employees, for every citizen must obtain credit for the average number of labour hours for the year.

Physicians are given so much time for each office treatment, and have a minimum charge as to time, such as an hour, or half-hour. They are also given credit for a certain amount of time in making calls upon patients. When the physician presents his bill, it contains a statement as to the number of calls or treatments, the amount of time, as well as the amount due. And when the patient pays the bill, he makes a statement on the cheque as to the amount of time, thereby giving his endorsement and approval as to its correctness.

The lawyers and other professional men also have minimum charges, keep an account of time consumed in services

rendered clients, and obtain credit by having the time certified to on the pay cheque. Professional men are given five years in which to establish themselves, during which period, if they are unable to obtain sufficient business to perform the requisite number of hours, they are paid a proportionate part of the equal wage. There is always considerable professional business at the disposal of the District. This patronage is generally given those professional men unable to obtain sufficient business of their own accord to enable them to get in the requisite number of labour hours.

After the legally required school age, which is from sixteen to eighteen years for all children, credit is given for time spent in college, or in special schooling or training of any kind, which credit is made use of in after years in cases where the citizen is upon a self-supporting basis but whose labour hours are less than those required.

When the work or service is not paid for in cash, the employer or debtor issues his note or due bill payable to the Sub-district,

and specifying thereon the number of labour hours performed. The citizen delivers the note or due bill to the Sub-district office, obtains credit for the time, when the note or bill is paid, for the amount in earnings. The 20 per cent. for special needs and 10 per cent. for repairs are based upon cash earnings. Hence, if the citizen is paid by note or due bill, he would not be given credit for these amounts until the note is paid. He would, however, be paid the equal wage, if he has worked the average number of hours for the month, even though none of his earnings are cash.

If payment should not be made by cheque, or if it should be in money, as may be the case for small sums, a receipt is given by the payee and statement made as to the amount of time consumed which is signed by the payer. Both the receipt and statement are made in triplicating books. One copy goes to the payer, one to the Sub-district office, and the third is retained in the book. These books can be obtained only at the Sub-district office,

each page is numbered and must be accounted for, and no changes can be made in the writing without its being detected. Or what is known as the punch receipt book may be used, in which the amount received and length of time is punched in duplicate on the printed pages of the book. At the end of the month the book containing punched duplicates of every receipt given is turned into the Sub-district office, and the citizen is given credit for the number of labour hours performed. Payment by cheque, however, is the method most generally used, because it is the easiest and most convenient, safeguards the District, and is the most favoured by the people.

This is the method by means of which the District ascertains the number of labour hours performed by the large number of citizens which comprise the employee class, and which includes everyone who is paid for work or service of any kind, from the president of a bank or railroad corporation down to the commonest labourer.

Those not belonging to the employee class, but who are in business of any kind for themselves, such as proprietors of stores, restaurants, barber shops, &c., are given credit for the number of hours their places of business are open. In all towns and cities the different lines of business commence and end at the same hour each day, and it is a matter of common knowledge whether a particular business is open during business hours. In the case of the business man, his business stands for him as to the number of labour hours required. He must, however, devote most of his time to his business, but his time is not marked by the hour like that of the employee. It is frequently necessary for him to be away from his business, and he is given the liberty and privilege of doing so as often as he may deem necessary and best, without any account being taken of his time. But if he devotes only a small part of his time to his business each day, it is not then his principal work or business, and he can obtain credit only for the amount of time actually devoted to it.

Building contractors and other employers of labour on a large scale keep an account of their own time and charge it to the contracts performed by them. The time and labour required to figure on and obtain contracts, employ labour, and supervise and direct the work are as necessary and indispensable as the work of the employees. Hence, the large contractor, as well as the small one employing only a few men and perhaps working with them, keeps an account of and charges their time, which is certified to by the one for whom the contract is performed.

Capitalists, investors, stockholders, and directors of business firms and corporations, obtain credit from the various firms and corporations for the amount of time necessary to look after their interests. A citizen may have sufficient capital invested to require all his time in looking after and preserving his investments. He is given credit in labour hours for the amount of time thus required, for the care and preservation of the capital of which the citizen

is the trustee for the District is as important a work as any.

Churches, colleges, hospitals, reform movements, political parties are maintained the same as in other countries. Clergymen, reformers, benevolent agitators, &c., account to the District, the same as all other citizens, for money received by them for personal services, whether in the form of regular salary, contributions, subscriptions, or collections, an account of the time spent in their work is kept and certified to by the official Board, or other governing body, or head of the institution or work. Authors, artists and inventors labour for future rewards or earnings, the same as they do in other countries. An account is kept of the time spent, and if the work turns out to be successful and remunerative, the earnings are accounted for to the Sub-district office and credit is given for the labour hours performed. If the work is only partially successful, credit is given accordingly, taking as the basis the earnings of a self-supporting citizen and the

average number of labour hours for the year in which the work was performed. In other countries and under the old system an author, artist or inventor receives no remuneration for his work until he can sell his product or make it produce an income. So here he receives no credit in earnings or labour hours until there are earnings upon which to base the labour hours.

There remains another class—a very large and important one—the landholder. The farmer here is much the same as elsewhere. He labours by himself out in the fields or about his farm buildings, no one but himself knowing how long or how much he works. His hours are also very irregular and vary much at different times of the year. During the busy season he labours early and late; during the slack season, little or none at all. It may be an easy matter to ascertain the number of labour hours performed by the farm hand, for he is but an employee, the same as other employees, and his time is certified to by his employer who pays him. But

what about the farmer himself? Visitors to the country display considerable curiosity as to what method is employed to ascertain the number of labour hours performed by this class of citizens. From the nature of the case, it might seem difficult to obtain an accurate and satisfactory means. But such is not the case. The number of labour hours performed by the farmer is ascertained by the number of bushels or pounds of each kind of product sold.

It is known by accurate and scientific tests how many labour hours are required to produce so many bushels or pounds of any kind of product in any kind of soil. These tests are made under the supervision of the District Experimental Stations in different parts of the District. There are also reliable records based upon the actual experience of the farmer himself, for each Sub-district office in the rural sections keeps a yearly record of all the products produced upon each farm within its borders, and the number of labour hours performed by each farmer in

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FARM No. 10, SUB-DISTRICT 15, DISTRICT 21. ACRES 25. TILLABLE LAND, 24 ACRES;
WASTE, 1 ACRE. OCCUPANT, JOHN B. WHITE.

Capacity, or five year average	Corn 60 bus.	Wheat 50 bus.	Oats 40 bus.	Tobacco 1,000 lb.	Fruit 100 bus.	Cotton 1,500 lb.	Dairy 400 lb.
Labour hours per 100 lb. or 100 bus.	100	75	75	16 $\frac{2}{3}$	20	12 $\frac{1}{2}$	25
Acres planted and date	4 A.	6 A.	6 A.	4 A.		2 A.	4 cows 24 A.
Five year aver- age	240 bus.	300 bus.	240 bus.	4,000 lb.	100 bus.	3,000 lb.	400 lb.
Labour hours ..	240	225	180	500	20	375	100 Total, 1,640
Crops sold Labour hours, Cr.	300 bus. 300	200 bus. 150	225 bus. 168	4,500 lb. 562	100 bus. 20	2,800 lb. 350	440 lb. 110 Total, 1,660

producing these crops. From these records an annual average of products and hours required is obtained for each farm and each kind of soil in the Sub-district. These averages, supplemented and qualified by the tests of the Experimental Stations, form a reliable basis as to the number of labour hours required for the production of the different products.

At the beginning of the season each farmer is furnished a report giving the acre average for his farm and the labour hours required, which he fills out as the season progresses (see table on p. 207).

It is seen that the five-year average for this farm is sixty bushels of corn per acre; that it requires 100 labour hours to produce 100 bushels of corn; that four acres of corn are planted, which will require 240 hours, and that 300 bushels are raised and sold, for which the occupant obtains a credit for 300 labour hours; and that on all his products for the year he is credited with 1,660 hours.

It is also known how many labour hours are required to bring a crop to a certain

stage of development, how many are required for the ploughing and planting, how many for the first and second cultivation, and how many for the harvesting. Each month John B. White sends a report to the Sub-district office stating the condition of each crop, the percentage of the average, and the number of labour hours performed. Each farmer in the Sub-district makes a similar report, and each Sub-district makes a monthly report to the central District office. These reports are issued for the information and guidance of farmers and other workers in the District, but are not conclusive as to the number of labour hours performed, as this is determined by the number of bushels or pounds of each product sold.

The capacity of the above farm is the five-year average, neither the best nor the poorest year. Seasons vary and in the same season some crops do better than others. Of crops planted by John B. White, some may be doing well and are above the average as corn and tobacco, and others poorly as wheat, oats, and

cotton. His object is to raise sufficient crops to give him a yearly credit for 1,500 or 1,600 labour hours, as this has been the average for several years; or, if it is an extra good season, producing more crops and requiring more hours, the average is likely to be 1,700 or 1,800 hours. He is informed of this by the reports published each month by the central District office.

Now, although some of his crops are doing well and others not so good, yet, taking it altogether, if he sees he is likely to raise enough crops to obtain credit for 1,500 or 1,700 hours, he bothers no one about it. But if any of his crops become injured or destroyed by unavoidable cause, as excessive drought, excessive rain, by insect, pest, frost, &c., and the loss is likely to be such that he will fall below the required number of hours, though perhaps he has put as much labour on those crops as others, or at least always some labour—he reports such damage or injury to the Sub-district office, stating the probable loss in bushels or pounds, and the estimated number of labour hours.

The damage must be reported at a time when it can be viewed and the loss ascertained by the crop inspector of the neighbourhood. John B. White has kept a record of the number of hours performed on each crop as it was growing. It is also known at the Sub-district office how many hours are required to bring each crop to a certain stage. With these as a basis the loss is ascertained, and John B. White is given credit for the number of labour hours lost.

Other farms in the same neighbourhood of poorer quality soil will not produce as many bushels per acre, though the same number of labour hours are required. The average per acre may be only one-half as large as the above farm. In such case the occupant would obtain credit for the same number of labour hours, though he produces only one-half as many bushels or pounds of products. Frequently there is the same kind and quality of soil throughout the Sub-district. Often the same kind of soil runs through several Districts. Three or four grades of soil in the same

Sub-district is generally the limit. For this reason it is not difficult to test the capacity and thereby the number of labour hours required for the production of all kinds of crops in the different soils.

On account of the capacity being a five-year average upon which the labour hours required is based, good seasons make up for the losses in poor ones. It also frequently happens that the farmer has labour hours to his credit, and it is only in especially poor years, when unusual damage or injury has been caused to the crops, that he claims credit for hours lost.

Nearly every farmer is a producer to a more or less extent of live stock and of dairy and poultry products. The number of labour hours required to produce these products are obtained from dairy, poultry and stock farms, where it is easy to ascertain the number of labour units required in proportion to the pounds of products, since the work is devoted exclusively to one line.

The farmer is given credit for labour hours in accordance with the number of

bushels or pounds of products sold and not the number produced, for the reason that labour hours are based upon and credited only upon earnings. Other citizens must turn over their earnings to the Sub-district office before credit for labour hours can be obtained. The one is dependent upon the other. And not until after the farmer has sold his products can he account for his earnings to the Sub-district office. Another reason is that a portion of a farmer's products may be consumed by himself and family or fed to his stock, or poultry. He should not receive credit for anything consumed by himself, for this is not earnings for the District. Neither should he receive credit for what is fed his stock or poultry, but only for the stock or poultry products sold.

When the farmer sells his products the number of bushels or pounds must be stated upon the pay cheque, which is made payable to the Sub-district office in which he resides, per himself. Upon delivery of this cheque to the Sub-district office, he obtains credit for labour hours in accordance therewith.

CHAPTER XIX.

AWARDS.

MENTION has been made as to how capital for business purposes is obtained. Those citizens whose earnings are in excess of £200 per annum are given the use of a certain percentage of the excess for business or investment purposes. But capital for business purposes is not limited to citizens whose earnings are in excess of £200 per annum. To make such limitation would bar many citizens from entering upon a business career. Hence, a citizen is permitted to use a portion of the allotment due him for business purposes, whatever the amount of his earnings. A certain proportion must be reserved for a homestead, because the State contemplates and makes provision for a home for every citizen. But by accepting a less valuable property than entitled to, a citizen can

obtain the use of the balance due him for business purposes.

With the capital thus obtained as a nucleus, more is borrowed of a bank. Many a young man obtains a start in this manner. If successful he is permitted to use the allotment due him from increased earnings for business purposes. Having once selected a home he is not obliged to use any more of his earnings for this purpose, unless he so desires. And by making use of all his increased earnings in his business, he may be able to build up a large and prosperous business. But if not successful, the business is closed out by the bank or District, and the citizen given the use of his capital or what remains of it for home purposes.

The citizen, as agent or trustee of the District, is given full and absolute control of his business, but upon his death or retirement the business reverts to the District. His widow and children are otherwise provided for as heretofore explained. The children cannot inherit anything from the parent; neither can the parent dispose

of or give his business to them to be managed and conducted by them after his decease. When the children are old enough to be earners and engage in business for themselves, they are given an equal opportunity with all other citizens. Whatever business may be given into their control and management, the amount of capital given them for business purposes is dependent altogether upon their earnings. Every citizen is given an equal opportunity, for none have the advantage over others by inheritance or deed of gift from an ancestor. What each citizen obtains for himself and the position he attains in society is dependent wholly upon his individual merit and ability.

When a business reverts to the District upon the death or retirement of its manager or owner, it is offered as an award to other citizens upon a competitive basis. It is offered complete as a running concern, including the capital invested in it, ready to be turned over to a new manager or owner. All those citizens who have been engaged in the same business

are eligible, and the award is made to that one of the applicants who has exceeded the others most, or who has been the most successful business man among them. All the best and most successful businesses are thus given into the control and custody of the most capable and competent citizens. This is to the best interests of the District and all its citizens, for the more successful a business the more beneficial it is to the District. It is also a reward, an advancement, and a recognition of the merit and ability of the citizen.

When several citizens are applicants for an award, it is simply a matter of mathematical calculation as to who has exceeded the others. The business record of each applicant for the last five years is taken as the basis. All the elements that go to make up a successful business are taken into consideration—the amount of personal capital invested, the amount of borrowed capital, the amount of earnings, of debts, credits, overhead expense, and the percentage of profits.

Figuring for an award presents several

new and interesting arithmetical problems. The results are often surprising, and are awaited with much interest by the applicants and the clerks and employees of the business involved. Sometimes a citizen who has been running a comparatively small business wins an award over another with a larger and apparently more successful business. Smaller earnings are frequently overcome by a higher percentage of profits. Thus a man whose business has been earning £360 per year, but whose percentage of profits is 25 per cent., may exceed another whose earnings have been £440 per year from a larger business, but whose percentage of profits is only 20 per cent.

Oftentimes an award is won on a small margin of advantage in some one item, as in a few more pounds personal capital invested, a little less borrowed capital, a few pounds more earnings, a slightly higher percentage of profits, or a little less debt or overhead expense. This is a constant incentive to every ambitious business man to do the very best he can and to

make his business successful and profitable in every particular, for an award of a larger and more profitable business may be open to him at any time.

When a citizen accepts an award he surrenders the business previously conducted by him to the District. This in turn is offered as an award to other citizens, and so on, making a series of awards until an opening is made for a new man, generally a clerk or sub-manager, to engage in business for himself.

A large part of the business of the country is in the hands of corporations which are organized and started the same as in other countries. Capital stock is sold to citizens, who use a portion of the allotment due them for this purpose. The citizen becomes the trustee of the District as a stockholder or member of the corporation. He has as much incentive to look after and preserve his investments as if he were the absolute owner, for if a loss should occur the citizen would lose the earnings and the use of the capital. This is a favoured form of investment. Watered

stock and fictitious values are prohibited; the companies are regulated by law; are well managed; the dividends large.

The corporation itself continues indefinitely, but upon the death of the citizen the capital stock owned by him reverts to the District, and is open to award to stockholders in the same or other companies, who submit and surrender if successful a certain amount of stock as the basis for the calculation. Every citizen judges for himself as to whether he wishes to be an applicant for an award. What he is to receive must be better and more valuable and profitable than what he has. Otherwise, it is more profitable for him to retain his own business or capital stock.

If a business becomes old and antiquated and no longer profitable, it is closed out upon the death of the owner and the proceeds turned into the District treasury.

Farms also revert to the District upon the death or retirement of the occupant, and are offered as an award to other farmers upon a competitive basis. That one who has exceeded the other applicants

the most, based upon his record as a farmer for the last five years, receives the award. Each Sub-district office keeps a full and complete record of every farm and farmer within its territory, from which record the necessary facts and figures for each applicant are ascertained. All the elements of success in farming are taken into consideration and enter into the calculations—the number of acres farmed, the kind and character of soil, its conservation, the amount of earnings from soil products, and from other than soil products, such as stock, poultry, dairy products, and to what extent the applicant has exceeded the yearly average for his farm and the same kind of soil in the Sub-district. A man who has been farming a poor piece of land often gains an award over one who has had a much better quality of soil, because he has done better in comparison with what he had, though the amount of his earnings may be less.

An enterprising farmer obtains possession of a poor piece of land with low earn-

ings, and by good management and scientific, intensive cultivation, greatly increases the earnings. Such a man is very likely to be awarded a larger, better, more profitable farm, and in the end to obtain possession of the best there is in the District.

Awards are constantly taking place. When a landholder dies, instead of his land being sold to pay debts or divided among his heirs, it is offered as an award. And as the one who obtains the award surrenders the farm he occupied, which in turn is open to award, and so on, there is a constant incentive to every farmer down to the very smallest, including the farm hand or day labourer for whom an opening is made, to increase his earnings and do the best he can. For thereby he is likely to receive an award of something better and more valuable than he had, and thus move on up the scale to one of the best and most valuable farms in the District.

Award takes the place of inheritance and is the method of disposing of a citizen's rights at his death. It is always

confined to citizens in the same business or occupation.

Should the citizen die leaving debts, and the widow is unable to assume or pay them, or if there be no widow, his personal property is awarded subject to the debts, or it is sold by the District, the debts paid, and the balance turned into the District treasury.

The award of business properties is somewhat different from that of other properties. Business buildings owned by corporations continue to be the property of the corporation indefinitely. But the stock of the corporation, upon the death of the citizen owning it, goes to the wife under her right of joint ownership, for life, or until her re-marriage, when it is offered as an award. But business buildings owned by individuals revert to the District upon the death of the owner and his wife, or her re-marriage, and are disposed of at public or private sale to the highest bidder. The purchaser may apply upon the purchase price the value of any business building he

may own, paying the difference, if any, in money. This makes the transaction but slightly different from an award. The District, however, never pays any difference in money to the purchaser at such sales, as this would enable citizens to unload expensive and non-profitable properties upon the District. Under this method there are always buyers, so that the District never suffers loss by reason of a poor market. Properties taken in on such sales are themselves at once offered for sale, thus creating a number of sales, each purchaser, using the proper judgment, generally bettering himself. Business buildings are appraised every two or three years in order to ascertain values. Sale, instead of award, enables the District to preserve its values better and is more satisfactory for properties of this character.

A distinction is also made as regards the award of the capital of one State, or District, invested in another. The owner of such capital accounts to the District of which he is a resident, or from which the capital is obtained, a certain agreed per

cent. of the earnings. Also, upon his death the amount originally invested is awarded in his District. All earnings over the agreed per cent. are accounted to the District in which the capital is invested, the owner receiving but one equal wage from the District in which he resides. Should the investment increase in value, the excess is awarded in the District in which it is invested. For example: a man living in District No. 1 invests £20,000 in developing coal mines in District No. 15 in another part of the country, at an agreed return, 8 per cent. He accounts to District No. 1 up to £1,600 per year earnings, less 10 per cent. for repairs, which is retained in District No. 15 for this purpose. Upon the death of himself and wife, the £20,000 in stock, bonds, or whatever form it may be, is awarded in District No. 1. If the investment increases to £30,000 in value, or if the earnings reach 12 per cent., the £800 additional earnings per year are accounted to District No. 15, and at death the £10,000 increase value of investment is awarded there. A law of this kind is

necessary to protect purely industrial Districts, developed and built up by outside capital. It protects and preserves the capital investment of the District from which it came, and at the same time prevents this capital from drawing too heavily upon the resources of the District in which it is invested. In purely industrial Districts, the wages of working men are not sufficient to afford them the benefits of a more equitable system; the District would remain one of working men with little means of accumulating capital, unless it received the benefits from the profits of its industries by requiring non-resident or foreign capitalists to account to the District for that part of their earnings in excess of an agreed amount, as above explained. The excess value in the stock is subject to award among the working men of the Company upon the death of the original owner, and in all Companies a certain amount of the capital stock is reserved for award among the employees of the Company to give them a financial interest in the business.

Upon the death of the husband and wife, national bonds or other evidence of indebtedness to the nation are not awarded, but revert to the nation and are extinguished, as the nation would not award a debt against itself. Government bonds held by banks and corporations are thus extinguished upon the award of its stock, each share of stock bearing its proportionate share of the whole amount of bonds, the award being made subject to the payment to the bank or corporation by the awardee of the amount of bonds thus surrendered and extinguished. State bonds and obligations revert to the State, and county and municipal bonds and obligations owned by residents of the county or municipality revert to the county or municipality, and are likewise extinguished. Such bonds held by non-residents continue until paid and are awarded in the place where the deceased owner resided.

Bonds are issued and sold in Equaland the same as in other countries. There is also another class of bonds issued and in much favour, which revert to the District

which issued them, irrespective of the place of residence of the purchaser, bearing a higher rate of interest and sold on the annuity plan, the rate of interest having regard to the age of the purchaser and his wife. Such bonds afford a good investment for citizens retiring from business and who have accumulated capital, the higher rate of interest compensating the District for the loss of capital when invested in another District or State. At the same time, it enables the District or State issuing the bonds to clear itself of the indebtedness in a comparatively short time.

At any time during his lifetime the citizen may buy, sell, trade, or exchange a business, corporation stock, or any other property right. By these means citizens change from one business or occupation to another or from one form of investment to another. A landholder may sell or exchange his rights to farm a piece of land, convert the capital invested in machinery, live stock, poultry, &c., into money, and with the capital thus

arising, purchase or engage in another business. The land itself, however, is never bought or sold. Title to this remains in the District. It is only the citizen's right to use the land and occupy the buildings that is bought or sold. The consideration in such sales is generally the value of the buildings and other improvements. For instance, suppose a farmer has been earning £300 per year on a certain farm and by reason thereof has acquired £600 worth of buildings. In making a sale, another citizen who has to his credit the use of £600 turns this credit over to the party selling, which is taken by him in other properties or in money for business purposes.

Personal property of all kinds, such as a business, corporation stock, and anything used for business or money-making purposes can be bought and sold. Buildings used for business purposes, such as stores, offices, factories, warehouses, &c., are classed as personal property and are subject to sale. Ground rent is paid for the use of the ground on which all business

buildings are located to the District in which is the title.

In selling or disposing of a business, corporation stock, or any other right or property of which the citizen is the trustee, the title in the District is preserved, and the money arising from the sale does not come into the citizen's hands, and cannot be used by him personally. Payment is made by cheque payable to the District per the seller, in order to make title good in the purchaser. The cheque is deposited in a bank designated "trust fund," and can be used or drawn upon only for business or investment purposes.

CHAPTER XX.

CHANGE OF RESIDENCE.

A CITIZEN may change his residence from one District to another or to another State without losing any of his property rights. This is necessary in order that no citizen may be confined to any one District for life and to facilitate a change of residence. A citizen may obtain temporary employment in another District, and his earnings paid over to and accounted to the District of which he is a resident which pays him the equal wage and other benefits. The same is true of those citizens whose business is transacted in different Districts or States as commercial travellers, salesmen, and others who travel from place to place. Their earnings are accounted to, and the equal wage and other benefits are paid them by the District in which they have their place of residence.

When a citizen changes his residence to another District, he is permitted to take with him whatever personal property may be necessary for his needs, such as household goods, farming utensils, machinery, &c. Or he may convert his personal property into money by public or private sale, in which case the proceeds are forwarded by the old District to the new one for his use and benefit. Or if he has capital invested in business and needs it for business purposes in the new District, he may convert it into money by sale or otherwise, which is forwarded to the new District for his use. The reason is that the citizen has earned nothing in the new District and is not entitled to anything from it, either in the way of personal property or capital for business purposes. The new District accepts the record of the old District as to the citizen's annual earnings and furnishes him a house, if a town or city resident, in accordance with his former earnings. It runs no risk in so doing, for if the earnings should not equal that required, the difference is made up by

rental charges. The new District can also without risk let the newcomer have the occupancy of a farm in accordance with his former earnings, if any are vacant or open to occupancy. If the earnings fall below that required by the farm, the District's loss is made up by a rental charge on the buildings and the payment of its loss in soil value. When the new citizen has resided in the District long enough to become a legal resident he is eligible to an award.

The citizen who has resided in more than one District, upon retirement is paid retirement benefits by each District in proportion to the number of years and the amount of his earnings in each. And upon his death, the income paid his widow and children is pro-rated according to his earnings in the different Districts.

It is necessary in order for a citizen to become a resident of a District to first obtain work in the District. Becoming a resident means an employee, rendering an account of earnings and receiving the equal wage and other benefits. Citizens

are perfectly free to live anywhere if they have sufficient means for their support. But those not having a sufficient income to live outside their own District must first obtain employment or have an occupation before making a change of residence. This law also applies to immigrants coming into the country from other lands. Foreign travellers are accorded all the rights and privileges of travellers the same as in other countries. A foreign traveller or visitor may remain in the country indefinitely, as long as he has the means of paying his expenses. But immigrants without means of support, neither friends nor relatives who will care for them, are not permitted to enter or remain in the country unless employment or an occupation is obtained in some District.

Since the country is new and rapidly developing, national employment bureaus at the principal seaports of entry find places for all desirable immigrants.

If a citizen wishes to leave the country and make his residence in a foreign land, the present worth of his property rights

and benefits according to his age and prospects in life is ascertained and paid him in money by the District or Districts of which he has been a resident. People from foreign lands with capital, desiring to become residents and engage in business, must convert their capital into property rights to be used like other citizens for home, business, or farm purposes. Most immigrants, however, have only sufficient money to settle them in the country. But those who do bring capital receive a full equivalent, considering all that the District does for the citizen, his wife and children. As long as the citizen lives he has the full use and benefit of his capital. The difference is that he cannot dispose of it at his death to his wife or children. But in a State which provides so well for these, no citizen need give any concern about their welfare in case of his decease.

CHAPTER XXI.

ORIGIN OF THE NEW ERA.

WHEN in Equaland, my attention was called by different citizens of the country to an interesting claim or theory as to the origin of its economic order. The commission authorized by Parliament is supposed to have formulated the system. This commission has been greatly extolled for the great work it accomplished in giving to the world something entirely new. There was nothing like it in force or operation in any known country. There were no guides or precedents in history.

The same thing has been said of the American Constitution. The Constitutional Convention had no guides or precedents to follow. The Republics of Rome and Greece had existed under entirely different conditions and were no criterion. The Republics of Venice and Holland were in a very precarious state, and could not be taken as

models. Swiss institutions were mentioned only to be criticized. "And yet," says Bryce, "there is little in the American Constitution that is new. There is much that is as old as Magna Charta." Whence, then, was the American Constitution obtained? "It was a growth, an adaptation of English Constitutional law." Likewise it has been said of the economic system of Equaland: "There is little in it that is new, but there is much that is as old as Christianity. It was a growth and development of Christian principles and their adaptation to modern industrial life."

In fact, the claim is made that Jesus is the original source of the system and that the basic principles upon which it is founded are set forth in the Gospels.

On the other hand, there are those who claim that no specific social system is to be found in the teachings of Jesus; that Jesus was not a social reformer of the modern type; that sociology is a recent science, and that modern political economy was unknown in His day. In answer to this, it is contended that if modern soci-

ology or political economy were unknown in Jesus' time, still there existed the great differences between the rich and the poor, the question of property and the question of wages, the same as in modern life. The differences between rich and poor were before Jesus as live and pressing questions, as they are before us to-day. Riches and poverty were problems He dealt with, and it was not necessary for Him to know or have in contemplation modern socialistic or economic science to do so. He could set forth fundamental and basic principles as regards the rich and poor, property and wages—principles that are true and applicable whatever the superstructure of society above them, whether the primitive conditions of His day or the complex structure of modern society. Just as there are certain fundamental principles relating to personal rights and liberties, which are as true to-day as they were in the time of Magna Charta and the forming of the American Constitution, though the condition of society is vastly different in these different periods. Funda-

mental and basic principles are the same irrespective of time or conditions.

The Kingdom of Heaven was a subject constantly referred to by Jesus in His discussions with His disciples and fellow-men. It is a theme to which He repeatedly referred and which He took great pains to elaborate and describe. Several of His best and most noted parables were given to illustrate and describe it. The word "heaven" refers to a place somewhere among the vast expanse of stars, but the phrase "the kingdom of heaven" refers to a régime, or era, to be established upon earth. The phrase should not be difficult to understand nor have a mystical meaning. We speak of the Kingdom of Persia, of Egypt, or of Babylon, associating in the mind certain customs, laws, rules and principles which governed the people of each kingdom, and distinguishing it from other kingdoms, eras, or civilizations. In like manner Jesus spoke of the Kingdom of Heaven, and described the laws, rules and principles peculiar to it. While the rules and principles of the Kingdom of

Heaven are principally of a moral and spiritual character having to do with man's relation to God, there also are those having a social phase or aspect, having to do with man's relation to man. In describing the social phase of the Kingdom, Jesus set forth certain fundamental principles. While it may be true that no specific social system is described by Jesus, nevertheless He set forth certain fundamental principles which are the basis of, and which form the chief characteristics of, the social order above described.

The first of these principles relates to wages. It has been observed in the economic system of Equaland that the State or District pays each citizen an equal wage. It is asserted that the parable of the vineyard clearly and distinctly sets forth this principle.

In this parable (St. Matthew xx. 1-16) the Kingdom of Heaven is likened unto a householder who went to the market-place to hire labourers to work in his vineyard. Some were engaged early in the morning, some at the sixth, some at the ninth, and

still others at the eleventh hour of the day. "And about the eleventh hour he went out, and found others standing; and he saith unto them, Why stand ye here all the day idle? They say unto him, Because no man hath hired us. He saith unto them, Go ye also into the vineyard. And when even was come, the lord of the vineyard saith unto his steward, Call the labourers, and pay them their hire, beginning from the last unto the first. And when they came that were hired about the eleventh hour, they received every man a penny. And when the first came they supposed that they would receive more; and they likewise received every man a penny. And when they received it, they murmured against the householder, saying, These last have spent but one hour, and thou hast made them equal unto us, which have borne the burden of the day and the scorching heat. But he answered and said unto them, Friend, I do thee no wrong; didst not thou agree with me for a penny? Take up that which is thine, and go thy way; it is my will to give unto this last, even as unto thee."

In the foregoing words Jesus sets forth the wage system of the Kingdom of Heaven. Each labourer is paid the same or an equal wage, a penny each, though the services of some, who worked the whole day, were more valuable than those who worked only a part of the day.

The lord of the vineyard represents the community, the State, or District, and all earning or working citizens being employees of the State or District are to be paid the same or an equal wage, though the services of some are worth more to the District than those of others.

There is an important qualification as regards those employed at the eleventh hour. The question is asked, "Why stand ye here all the day idle?" The answer is, "Because no man hath hired us." These men stood watching and waiting for work all day. They were willing and ready to work at any time anyone would hire them. That they were not only willing to work but exceedingly anxious to do so is shown by the fact that they remained in the market-place until the eleventh hour look-

ing for work. Many men seeking employment will try for an hour or two and then give up for the day. But these men remained until the eleventh hour. The lord of the vineyard should have hired these labourers earlier in the day. They were in the market-place wanting work when he hired the others. He must have either overlooked them intentionally or made a mistake as to the amount of work to be done. In either event, for the one hour's work he paid them the same or an equal wage with the others. This has been interpreted to mean that the labourer, the employee of the District, must be willing and ready to work at all times; that if he fails to find employment all or part of the time himself, the District should find it for him; and if it neglects, fails, or refuses to do so, he should receive the equal wage.

Another great economic as well as moral principle is set forth in the parable of the talents (St. Matthew xxi. 14-30). "For it is as when a man going into another country called his own servants, and delivered unto them his goods. And unto

one he gave five talents, to another two, to another one; to each according to his several ability; and he went on his journey." He that received five talents gained five other talents, and he that received two, gained two more. But the servant who received one talent digged in the earth and hid his lord's money. Those who made use of their talents were suitably commended and rewarded, while the one who hid his lord's money is severely condemned, and the talent taken from him. "Take ye away therefore the talent from him, and give it unto him that hath ten talents. For unto every one that hath shall be given, and he shall have abundance: but from him that hath not, even that which he hath shall be taken away."

This parable contains a great moral truth or principle. A man's powers, capacity, or ability increases or shrinks according to use. It also contains a great economic truth or principle. The lord followed this in entrusting or distributing his property among his servants according to their several ability. This was the best

method he could have taken for both conserving and increasing his wealth.

The lord in this parable also represents the community, the State or District and the servants the citizens. These were in fact more than mere servants. They were trustees or agents of the lord, for they were entrusted with his money for trading or business purposes.

It has been observed that in the system of property tenure of Equaland, as above set forth, each citizen is given the use of property for home, personal and business purposes in accordance with his earnings. And as the amount of a citizen's earnings is indicative and proof as to his ability, the same economic system underlies this system as that set forth in the parable—to each according to his several ability. The system of awards by which a property or business is awarded upon a competitive basis to that one of the competitors who has exceeded the others, and thereby proved himself to possess the most ability, is also in harmony with this principle.

That such a system is best for the State,

or the community as a whole, is self-evident, for if the property of a State or community is in the hands of those citizens who possess the most ability, and according to ability as proved and demonstrated by earnings, its property will be the best conserved and increased, and the community as a whole fare the best. It is also best for the citizen, for the amount of property entrusted to each citizen, being dependent upon his ability as proved by earnings, is a constant incentive for him to put forth his best efforts and endeavours. In those countries in which private ownership obtains, many a man has dissipated his ability simply because life has been made too easy by a comfortable inheritance.

The parable of the talents has been cited as sanctioning or upholding the system of private ownership, and the increase of wealth by the property-holding class. The increase of wealth is undoubtedly sanctioned by this parable. It is also approved and encouraged in Equaland, for the more successful a citizen is, and the more he

adds to and increases the capital or property entrusted to his care, the more beneficial he is to the community or District for which he acts as trustee. But the system of private ownership and inheritance as existing in different countries can find no basis for its justification in this parable. The lord entrusted his property to his servants, "to each according to his several ability." All his servants were called; each one was given an opportunity. While the servants were given the widest possible latitude, no instructions nor directions being given, and were perfectly free to act for themselves, it is to be noticed that the lord at no time relinquished his ownership of the property. In endeavouring to justify himself, the unprofitable servant said, "and I was afraid, and went away and hid thy talent in the earth; lo, thou hast thine own." The lord thereupon exercised his right of ownership by taking the talent away from this servant and giving it to the one with ten talents. But was this one talent given to the latter servant absolutely and unconditionally, to

be his for all time and pass to his heirs at his decease? Was he given absolute and unconditional ownership in the other ten talents possessed by him? It is not so stated, neither is it to be inferred. All that any of the servants possessed belonged to the lord to be held by them as a trust. To have given them absolute ownership with the right to pass the property to their heirs would have at once destroyed and nullified one of the chief principles of the parable—to each according to his ability. For at the death of the original servants, their heirs would have become holders of the property, not according to ability, but for the sole reason that they were the heirs of the original holders. The ability of the heirs is likely to be entirely different from that of the original servants. It is thus self-evident that the right of private ownership and inheritance is not sanctioned by this parable and that it is contrary to its spirit. The principle, to each according to his ability, can be preserved and maintained from one generation to another only when the property held by each citizen

reverts at his death to the original owner, the community, to be awarded other citizens according to ability by some such system as that in vogue in Equaland.

From this parable, then, is drawn the principle of common ownership; that all citizens are, or should be, the servants, trustees, agents, or employees of the common owner—the lord, or District; that the property or wealth of the District should be entrusted to its citizens according to their ability; that all citizens should be given a share, or opportunity, according to ability; that the citizen should be given the widest possible latitude and freedom in his use of the District's wealth—a freedom that to all intents and purposes amounts to and is the equivalent of individual ownership, the only requirement being that the citizen shall render an account.

CHAPTER XXII.

THE FIRST SOCIALISTS.

It is apparent that the disciples understood that the Kingdom of Heaven was to be established upon earth; that a common ownership, and "to each according to his needs," was to be the economic order of this kingdom. This is apparent from the fact that the original apostles established a communistic order among themselves and followers immediately after Pentecost. "And all that believed were together, and had all things common. . . . For neither was there among them any that lacked; for as many as were possessors of lands or houses sold them and brought the prices of the things that were sold, and laid them at the apostles' feet: and distribution was made unto each, according as anyone had need" (Acts ii. 44; iv. 34-35).

In this communistic society were eleven of the original apostles. Whence did they

obtain the communistic principle? It was derived from the Master Himself. It was the kind of life they had lived under Him. While He was with them they carried a common purse, and there was none among them that lacked. When collected together again after Pentecost, why did the apostles establish a communistic society? To show in their own lives, and to give the world an example of, what the full and complete Kingdom of Heaven is to be. There is a spiritual side of this kingdom. There is also an economic side. Christ so taught them, and being so fresh from Pentecost, they were but attempting to live out His teachings and show the kingdom in its completeness.

Much has been made of the fact that no attempt was made to establish a communistic society in any of the other early churches, and that the experiment at Jerusalem ended in failure. None of the other churches contained eleven of the original apostles who understood the kingdom as no others did. Neither is the failure of the attempt at Jerusalem an

argument against the desirability and advisability of the communistic principle. At the time of the formation of the American Constitution all previous attempts to establish a republican form of government had failed. And there are countries in the world to-day in which this form of government is impracticable and others in which it is established but is a failure. So it may be said of the communistic society. The failure of the attempt at Jerusalem is no argument against its desirability or practicability. The world was not ready for it at that time. It was not then capable of establishing and maintaining a communistic order. In fact, not until the twentieth century and the great progress and advancement that came with it, was the world capable of this higher and more desirable form of society.

It has been said of the communistic society at Jerusalem that it was not communism in any proper sense of the word; that no one was required to produce for the common good, as in all communistic societies. "There was no common economic

production. The possibility of a higher communistic ownership in the instruments of production had not yet arisen above the horizon of common thought. Individual and family production were the only kind commonly known. Thus the first Christians produced separately and consumed in common."

It has been observed in Equaland that while the title of all property is in the District, its citizens are given the use of its property, including the instruments of production, in accordance with earnings or ability. Each citizen has complete control of what property he possesses and exercises all the rights of ownership. For all practical purposes, so far as the citizen himself is concerned, individual ownership exists, but his property rights cannot be transferred to his heirs. There is no common production any more than in any other country. The District itself is engaged in no business, neither does it undertake any production. The instruments of production are in the hands of individual citizens, corporations and com-

panies. Each citizen, corporation, or company acts for itself. The District makes no attempt to control their activities or to dictate their policies. They may be in competition with each other, or co-operating with each other. No attempt is made to control or to change the methods of production. These are left to natural economic laws, and are the same as found in other countries. Hence, the economic system established by the early Christians in the primitive methods of those days, when there was only individual and family production, was the same as that established in the complex and highly advanced methods of modern industry in Equaland—common consumption but separate production.

This is both communism and individualism. The equal wage, distribution according to needs, and the reversion of all property upon the death of the citizen to the District to be awarded others in accordance with ability, is communistic. Exercising the rights of private ownership over the means of production and other pro-

perty entrusted to the citizen during his lifetime is individualistic.

An equal wage, a common ownership with individual holdings according to ability, therefore, are the fundamental principles set forth by Jesus in the parables of the vineyard and of the talents. A common ownership and a distribution according to needs is the economic order attempted by the disciples. Nothing is said regarding the disposition of property for productive purposes among the disciples. They were expecting the near return of their Lord, and for this reason probably undertook no production.

But from the teachings of Jesus and the example of the apostles it is maintained that the economic phase of the Kingdom of Heaven is clearly and distinctly set forth. This kingdom is to be established upon earth. It is here now in the hearts of men. But some day it is to be established in its fullness and completeness, covering the whole earth and reigning in the hearts of all men. The establishment of the kingdom upon earth was one of the great

desires of the Lord. It was a theme constantly in His mind and which He always kept before His disciples. After the salutation to the Father, it is the first request of petition in the Lord's prayer. "Our Father which art in heaven, hallowed be thy name. Thy kingdom come. Thy will be done, as in heaven, so on earth."

"Thy kingdom come." The position of this petition in the Lord's prayer shows its importance in the mind of Jesus, and having given this prayer to be the prayer of His disciples and followers everywhere, it should be the first and greatest desire of their hearts as it was that of the Master. The establishment of the kingdom was earnestly desired and expected by the disciples and the early Church. So vividly did Jesus impress this truth upon their minds that they expected it in their day, but we know now that many things were to take place first. Closely connected with the establishment of the kingdom is the return of Jesus to earth again. This was also a subject of great importance in the mind of Christ and His disciples as shown

by the fact that it is mentioned, or referred to, two hundred and fifty times in the New Testament.

The great prophecies delivered by the Lord upon the Mount of Olives shortly before His crucifixion and recorded in Matt. xxiv, Mark xii, and Luke xxi, as to what were to be the signs of the end of this age and the establishment of His kingdom, have now, to a large extent, been fulfilled. The great world war there predicted, of "nation rising against nation," "kingdom against kingdom," has taken place. So have the "famines, pestilences and earthquakes in divers places"; the first in the famine conditions in many European countries during the war and thereafter, and the great famines in China and Russia. The pestilences have come in the diseases and plagues accompanying the war, more fatal, and taking off more victims than the war itself.

"But the end is not yet . . . And because iniquity shall abound, the love of many shall wax cold. And this gospel

of the kingdom shall be preached in all the world as a witness unto all nations; then shall the end come." Thus, increased activity was to be displayed by both the powers of darkness and of light in the last days, both of which have taken place—the first in the great crime waves, violation of law, banditry, murder, lawlessness, &c., following the war, and the second in the unprecedented activity upon the part of Christians to preach the gospel to all nations. More money was raised for missions in America and more persons sent into the field than in any time in the history of Christendom. "Perilous times" were also predicted by Paul in the last days (2 Timothy iii. 1-5). Other prophecies are being fulfilled; the establishment of a Jewish State in Palestine, and still others, plainly indicating that we are quite near the end of the old era.

To what extent the powers of evil may gain the ascendancy in these last days and how long the perilous times may be prolonged will depend, to a great extent, upon the Christians of the world. They

can help end them by the establishment of a Christian economic order—one in harmony with the teachings of Christ, which would prepare the way for His Coming and the establishment of His kingdom. Christ no doubt intended them to establish such a kingdom before His return, or He would not have given a revelation as to what that kingdom is to be. The very fact that there is a revelation in this respect is proof of this, for a revelation would not have been given if not intended to be used. It is the duty of Christians to do all they can toward bringing in the kingdom—the economical as well as the spiritual side—which is near, but which can be made nearer by their efforts. For only by the establishment of the kingdom will the evil and perilous times now afflicting the earth, the famines, earthquakes, massacres, crimes, revolutions, oppression of one nation by another, and evils of many kinds, political, social and economic, be ended.

CHAPTER XXIII.

MODERN BUSINESS METHODS AND THE NEW ORDER.

HAVING shown what the State Socialism of Equaland is, we will now endeavour to explain the methods by which it is operated and maintained. What is the means or mechanism by which the system is operated in actual practice? This is a question in which the traveller from other countries is generally much interested, for upon it depends the success of the system. We have seen that each citizen, being the trustee, agent, or employee of the District, is required to render an account of his earnings to the District. By what means does the District require the citizen to account to it, and how does it know, when rendered, that the account is a true one?

In the first place, it may be said, both as regards the economic system itself and the methods by which it is operated and maintained, that the Parliamentary com-

mission which devised it formulated very little that is new. It simply made an enlarged use of that which had been well tried and tested, and the actual workings of which could be studied from actual experience in the leading countries of the world.

The commission called to its assistance the best and most noted business experts of different countries. There were several well-known merchants and manufacturers from America—men who were the masters of business on a large scale, employers of thousands of workers. There were also business experts, men scarcely known to the general public, but who were masters and inventors of business systems and methods. Why was this class of men called? Because the mechanism by which such an economic system could be operated was primarily and essentially a business proposition for the solution of which men experienced in the conduct of business on a large scale were the best qualified. A comparison between a District and a corporation will illustrate this.

A great corporation may have millions invested in its business; it may have plants, warehouses, and stations throughout the world; it may have a vast amount of personal property, machinery, railroads, steamships, mines, wagons, horses, stables, automobiles, trucks, cars, tanks, &c. It may have from 10,000 to 50,000 employees. Though so vast, with ramifications so intricate that no single mind can grasp it in its entirety, it works harmoniously and smoothly as a unit. The corporation knows the exact condition at any time of every plant and warehouse, and of all its machinery and personal property. It has an exact record of everything its agents and representatives are doing. It knows the amount of product of each plant, the cost of each item manufactured to a fraction of a penny, the amount of goods in each warehouse or station, the amount of sales of each one of its thousands of salesmen, the number of hours of work and the earnings or wages paid each employee.

Each District as a unit is in a sense a

corporation. All property and business is owned in common, managed by citizens who are trustees, with wages and allotments paid and granted to each according to earnings. It may have a population of from 25,000 to 200,000 or more, with from 6,000 to 50,000 or more workers. Unlike the great corporation, no business is conducted by the District as a whole. While all business is in the hands of citizens as agents or trustees, they are independent of the District as to the manner and method of conducting business, and may be in rivalry and competition with each other. The great business corporation must have an exact, itemized record of every transaction connected with its business each day, though there may be 50,000 or 100,000 such transactions in a single day. But such exact and multitudinous knowledge of every detail is not necessary to the District, because it does not direct and control as a unit the business within its borders as does a corporation. The one thing of essential importance for the District to know is the earnings of each working citi-

zen. It must know the amount of salary or wages paid each employee, the earnings of every firm, corporation, or individual engaged in any kind of business, as well as the earnings of every agriculturist, and every worker of every kind within its territory.

How can it know this and have exact and reliable information upon which it can depend? How does the great corporation know its earnings as a whole, as well as the earnings of each individual plant, station and warehouse, the cost and expense of every item of its vast business, as well as the amount of each plant, warehouse and station, and what each individual agent or employee contributes to the whole earnings?

The principle by which such vast interests are directed and controlled is that every employee of the corporation shall make a record of all particulars of each transaction at the time when the transaction takes place. In every sale by an employee, no matter how large or small the amount, a written record is made of

the sale generally in triplicate by means of carbon paper, one copy of which goes to the purchaser, one to the corporation, and one remains with the one making the sale. Everything starts from and is based upon this itemized "bill of sale." So by means of duplicating, or triplicating, or manifold forms, a record is made at the time it takes place of every item of its great business.

The same principle is made use of in the great department store. The big store is in fact thirty or forty stores in one. Its invoice may show millions of pounds of stock; it may have from 6,000 to 8,000 employees; it often makes as high as 50,000 sales a day. How does it keep track of its great business, know the amount of stock in the stock rooms, in each department, the sales each day in each department, and by each salesman? It has a means of knowing not only these, but every act and every transaction, its exact nature and character, of every one of its thousands of employees, and conducts its great business more successfully and with less loss than the individual merchant who uses less

thorough and systematic methods. The principle is the same as that employed by the large corporation; a record must be made of all the particulars of each transaction at the time it takes place. Each day a duplicate or triplicate of each one of these records finds its way to the Auditing Department, where they are scrutinized, analysed, classified, tabulated and summarized, compared as to the amount of cash, charge, and C.O.D. sales, and the whole made to balance to a penny. In fact, there must be a balance before the next day's business can be started. Here, also, everything starts from, and the elaborate system by which the great store is conducted is based upon, the familiar "bill of sale," a carbon copy of which is given by the clerk to the customer, itemizing and stating exactly the particulars of every purchase.

In Equaland the same principle has been adopted and applied to every kind of business; whether it be a merchant selling goods in a store or a farmer delivering products to a warehouse, an exact record must

be made of each transaction at the time it takes place. As in the case of the big store or corporation these records are made in triplicate by means of handy, convenient and easily manipulated triplicating sales books or pads. This "bill of sale," required by law and demanded by all citizens in every transaction, is the starting point, the basis upon which rests the whole superstructure of the system by means of which the earnings of every citizen in the District conducting an independent business is ascertained.

The growth and development within the last fifty years of the thorough and elaborate business systems by means of which great business enterprises, whether local, State, or inter-State, are successfully conducted and controlled, have furnished the mechanism by which complete State Socialism has been made possible and practicable. The system of modern business is one of the greatest and most valuable inventions of the present age. Not the product of any one mind, but worked out and perfected as conditions

arose by hundreds of brilliant and practical men, it has not been heralded to the world like the noted individual inventions, nor has its importance and economic value been generally appreciated and understood. Its growth and development has caused the world to progress more toward a more just economic system within the last fifty years than in all the rest of the time since the death of Christ.

CHAPTER XXIV.

ENLARGED USE OF MODERN METHODS.

WE have stated the principle upon which the economic system of Equaland is based. Let us now see what advantage and value the principle has and what adaptation has been made of it. In the first place, business upon a large scale is a distinct advantage and is conducive to the maintenance of State Socialism. To illustrate, take a manufacturing plant employing 8,000 or 10,000 people. The plant is conducted upon the thorough, systematic business methods briefly explained above. It must keep an exact record of everything connected with its business. This record is necessary for the conduct, management, and control of its business. It cannot be intelligently and successfully directed without it. The manager, board of directors, and stockholders can step into the Auditing Department at any time and

ascertain what the company is doing in every department, the amount of output produced within a certain period, the amount of raw material purchased, the amount of sales, expenses, wages paid, and the earnings or profits to be paid as dividends. The company keeps a record of the amount of salary or wages paid to each one of its 8,000 or 10,000 employees. It also keeps a record of the number of hours' work performed by each.

Now it being necessary for the corporation to keep an exact record of every item of its business, without which the management cannot successfully direct and control it, and from which the stockholder can obtain any information desired concerning the company, so the District obtains from the same records the earnings of the company and the dividend paid each stockholder. It also depends upon these records as to the salary or wages paid each employee and the number of hours' labour performed by each.

The same is true of the department store with its 50 to 10,000 employees. The exact

records kept by the Auditing Department of the store of every single item and transaction connected with the business relieve the District from the necessity of keeping such records. It depends upon the records of the store and obtains from it, whenever desired, any information it may want as to the number of employees, wages paid each, number of hours of work, salaries of managers, earnings to the firm, or dividends paid stockholders. The same is true as to what is termed a chain of stores, a number of stores located in different parts of a city or District, under the control and direction of one management, or owned by one company with a single or central auditing department.

Thus it is easily seen that business conducted on a large scale, or large enough to justify and require an auditing department, is an advantage, and is conducive to the maintenance of a system of complete State Socialism. If all business and employments of a District could be conducted upon a large scale by companies, corporations, or combinations, the operation of

State Socialism would be a simple matter. The District would then have but comparatively few large companies from which to receive reports of the earnings and labour hours of its citizens.

It must be admitted that there are many advantages in conducting business upon a large scale. The power of concentrated capital is great, and there are many economies that can be effected over those in a small business. Indeed, the advantage of large business to the maintenance of State Socialism was so apparent, that at first it seemed to the Parliamentary Commission that all business of Equaland would have to be conducted by the same methods—by corporations upon a more or less large scale, and that no place could be found for the small retail dealer. In fact, in various countries of the world, the big store or corporation, by means of its economic advantages and power of large concentrated capital, had made such inroads upon the business of the small dealer, that it became a serious question whether the small dealer could hold his own against his powerful rivals.

The only way he could survive and keep himself from being extinguished was to adopt the same sure and safe modern methods that have made success possible for the big store and other big concentrations of capital. It was also necessary to the maintenance of a complete system of State Socialism that the small dealer adopt the same thorough, systematic methods. So two problems were solved at the same time, and their solution was of as great importance for, and as necessary to, the individual business man as to the State.

Let us see, now, how the problems were solved and examine the workings of the system as applied to the small dealer, the farmer, and all kinds of business. The methods employed by the big store are elaborate and intricate. They are necessarily so to cover every detail of the thousands of acts and transactions upon the part of all of its employees every day. In order to work the system, a special set of employees are necessary who give their entire time to this work alone. They con-

stitute what is known as the auditing department. Into the auditor's hopper pours every detail of the great business in a constant stream, every part of which is gone over carefully and audited. In the smaller stores of eight or ten departments and fifty employees, a single auditor can handle the entire business. In the largest stores of 8,000 to 10,000 employees, two hundred or more experts in figures may be required in the auditing department.

A disadvantage of the small store is that its business is not large enough to justify the services of an auditor, and the manager or owner has not the inclination, ability, or time necessary to give this work the thorough attention it requires. This objection has been overcome in Equaland by the institution of licensed public accountants, or auditors. Every business not large enough to justify its own auditing department is required by law to engage the services of, and be audited by, a public auditor or firm of auditors, under which the business is conducted on practically the same methods employed in the big store.

This solution of the problem is certainly a simple one and presents no extraordinary or startlingly new idea. It no doubt originated with what is known as a chain of stores, a number of stores owned by a single company, and under one auditing department, methods for the successful running of which had been worked out and thoroughly tested before Equaland was thought of. A number of independent dealers employing the services of the same auditing firm is little different from a single firm or company owning a number of stores run by one auditing department. The difference is that the individual dealer is his own manager and conducts his business according to his own judgment and ability, and is not controlled and directed as is the head of one of a chain of stores. He buys his own stock and sells his own goods; if he is unusually successful the profits are his own and do not go to swell those of a company of which he would only be an employee. Another difference is that though the same auditing firm which he employs may do the auditing for ten,

twenty or thirty other stores, the business of all the stores is not audited as a whole, but each is separate and independent of the others. The small dealer thus has the advantages of the same system used by the big store or chain of stores, at no greater cost in proportion to the amount of business transacted; and by use of the same safe and sure methods employed by them, he is able to hold his own against his powerful rivals.

An auditing firm of two or more members and a few clerks is capable of handling from fifteen to twenty stores. There are auditing firms of every size, from those consisting of a single auditor and a clerk or two in the smaller towns, up to those employing one hundred and fifty to two hundred in the larger cities.

All auditors must have a license from the State, and are under the supervision of a State Commission, which controls the business methods and systems to be followed. The system is thus elastic and open to improvement as better methods are devised or invented.

CHAPTER XXV.

THE INDIVIDUAL BUSINESS MAN AND THE NEW ERA.

THE system by which the big store or corporation is conducted is well known and needs no explanation. It has been worked out, tried and tested in every detail. But it may be interesting to see how the same system has been applied to the individual dealer. The following general description is given to show the value of this system to the individual merchant and its use and importance in maintaining the economic system of Equaland.

To the auditing firm, the single store or individual merchant is the same as a department of a big store. All the business of the store is transacted through the auditing firm which represents the District, for which the merchant is the trustee, and the same thorough business methods are

used as in the large store or corporation. When the merchant buys goods he uses a "Buyer's Manifold Order Form," by means of which three copies are made of each order of goods bought. One copy is retained by the merchant, one goes to the auditing firm, and the third copy, after being scrutinized as to errors and approved as to prices by the auditing firm, goes to the seller. This is required by law in order that the auditing firm may have an exact record of every purchase by the merchant, and to prevent collusion between the merchant and the seller.

The goods are bought, delivered, and checked with practically the same thorough, systematic methods as are used in the big store. An exact record is made of every part of each transaction, by means of which record the merchant is protected against any errors, carelessness, or collusion on the part of his employees or the wholesaler; at the same time, the District is protected from error, carelessness, or collusion on the part of the merchant himself.

Having purchased the goods, the merchant now figures carefully and fixes their selling price. This is necessary in order that he may be sure of covering overhead expenses and profits. A duplicating book is used for this purpose, and the goods marked in accordance with the record made in this book, one copy of which goes to the auditing firm. The merchant is now charged with the net cost of his complete stock of goods, and also with their selling price. While the merchant himself is so charged, all his employees are likewise charged and held responsible for a certain price. No goods through error, carelessness, or collusion can be sold at less than regular prices by any of his employees without its being detected; for the auditing firm carefully scrutinizes all sales cheques of goods sold each day to see that prices correspond with regular selling prices.

If for any reason the merchant wishes to cut prices, he must have an accurate record between the regular and the bargain price. The merchant is perfectly free to

fix whatever price he desires, and to change prices whenever he sees fit. But all sales must be in accordance with prices fixed in advance of which the auditing firm has been furnished a record. This is only good business and is necessary in order to balance his books at the end of the year. Furthermore, it protects the merchant against any collusion, error, or carelessness on the part of his employees, and at the same time protects the District as against the merchant.

It is very important that every merchant ascertain carefully the total cost of doing business. In this is included such items as light, heat, water, gas, delivery, clerk hire, postage, delinquent accounts, insurance, rent, advertising, interest, &c., commonly known as overhead expense. The merchant carefully determines in advance the total amount of his overhead expense. As the expense occurs, both he and the auditing firm keep an accurate record of every item by means of a triplicating expense account book. Whenever he pays out anything or incurs a debt which

belongs to overhead expense, an itemized record is made of all particulars, to whom paid, how much, and for what. One copy goes to the auditing firm. Thus, if money is paid out of the cash register or by cheque on his bank account, it is properly accounted for. There cannot be a balance of either one unless all copies of bills of money paid are turned over to the accounting firm.

If the merchant does not pay cash at the time, he makes an itemized record of the transaction, marking it "charge." Two copies are delivered to the creditor and one is retained by the merchant. The creditor takes or sends one copy to the auditing firm, which is necessary in order to become a legal charge against the merchant. It will thus be seen that there is little opportunity for the merchant to falsify or conceal the amount of his overhead expense.

Can the merchant, through collusion, pay more than the true amount, charge it to expense account, and afterward receive a rebate from the payee? If he is dealing with another merchant, firm, or company,

it too is under an auditing firm, and all money or payments received must be accounted for. If he is paying an individual workman, payment is made to the Sub-District in which the workman resides, which must be properly receipted and accounted for by the workman.

We have now come to the selling of the goods. It has been stated that an itemized record of every sale must be made in triplicate at the time of the sale. This record shows the exact character of each sale, the kind and amount of goods purchased, the price paid, whether cash, charge, or C.O.D., and whether to be delivered or taken. All this is written in the little sales book or pad, in the hands of every clerk, and familiar to the customers of all the large and best stores everywhere. The triplicating system had been perfected and adopted in other countries as being the best and most advantageous from a business standpoint. So what is universally required in this country is nothing more than what had already been proved to be good business in other countries.

By the use of the triplicate, one carbon copy is retained in the book, and another delivered to the customer. The third copy goes to the accounting firm together with all the sales cheques of each day, where they are carefully scrutinized, analysed, tabulated and summarized. The credit sales are properly entered; the total amount of credit sales for the day is ascertained, the total cash sales, the total of both credit and cash, and the total sales by each clerk. A comparison is made with the amount of cash registered, and the amount of charge sales, and the whole must be made to balance to a penny. Every sales cheque must be accounted for. If one is missing or has been lost, the day's business cannot be balanced.

Once or twice a day an employee of the accounting firm calls upon the merchant to collect the carbon copies of all transactions for the day, examines the record of the cash register, and furnishes the merchant with an itemized summary of the previous day's business. In case the merchant has not previously telephoned or

sent for them, the clerk may leave at this time the auditing supplies needed, such as sales books, order books, &c. All auditing supplies are furnished and handled only by licensed auditing firms. Each firm has its sales cheques made of specially prepared paper which contains the firm's water-mark. They also have a certain tint, and are printed with a safety ink which reveals instantly any change, alteration, or substitution which might be attempted in the writing. Another safeguard is that the sales book is so made that the writing on the carbon copy which goes to the auditing firm is on the back and in reverse, so that it cannot be changed without detection. Each sales book, or pad, contains from fifty to one hundred and fifty cheques, serially numbered. Upon delivery to the clerk, a record is made of the first and last number, and each sales cheque must be accounted for by the clerk. This is a protection to the merchant as against the clerk, and at the same time, the merchant being held accountable for the sales cheques of all the clerks, it is a

protection to the District as against the merchant.

By the above means the auditing firm obtains a full, complete and exact record of the merchant's business. Like the manager, director, or stockholder of the big store, the merchant can go to the auditing firm at any time and find out the exact condition of every part of his business. Exact knowledge is necessary to the successful conduct of any business. The auditing firm furnishes him this knowledge. Furthermore, it gives him counsel and assistance as business experts. If the profits are not what they should be, or if the overhead expense is too large or not correctly estimated, or if there are unknown losses and leaks, the auditing firm will assist him in discovering the cause and devise a way of preventing them. If he is buying or carrying too large a stock of any kind of goods, if he is carrying too large a credit account, if he is giving credit where he should not, or if there are accounts that should be collected, the auditing firm will so advise him.

In fact, thorough systematic methods cover every detail of the merchant's business, the same safe and sure methods which make the big store a success. In Equaland the individual merchant is more successful and better able to hold his own against his big rivals than in any other part of the world. Business failures are less here than elsewhere, and there are not the enormous losses from this cause there are in other countries. This is a great advantage to the community as a whole, and to bankers, wholesalers and creditors of all kinds who do business with the merchant. Few failures mean a great economic gain to the country. Millions of pounds are lost and wasted in failures in the United States every year. It is said that ninety-five per cent. of the business men in the United States fail at one time or another during their careers. This is not the case in Equaland. Even the younger men just starting in business and with only partial experience have in the auditing firm a guide and pilot that keeps them from the many by-paths that lead to

failure and disaster, and puts them on the way to success.

Likewise, this same system which requires all business to be conducted according to the best and most approved methods under the direction of a competent auditing firm, is a protection to the State, and is the means by which the economic system of the country is maintained. By means of it exact and reliable information is furnished the District as to the earnings of each individual business man, as well as the wages paid and the number of hours worked by each of his employees. In case the merchant is an applicant for an award, the exact condition of his business in every particular can be ascertained, from which can be determined to a fraction of a per cent. his measure of success. The auditing firm has a complete and accurate record of everything—the amount of goods he purchased, the amount sold and the price, the amount on hand, the overhead expense, the amount of credits due, the amount of debts, from all of which items the profits are determined. The merchant

cannot pad his sales, or conceal his debts, or the true amount of his overhead expense. All sales must be in accordance with previously determined prices, and the customer is the safeguard to see that the prices are correctly stated on the itemized bill of sale. All money received must be accounted for and properly applied either to the purchase of stock, overhead expense, or earnings.

In the small store the cash register is the cashier. The amount of cash registered each day must correspond to the total of cash sales cheques. No money can be taken from the cash drawer, either by the merchant or any of his employees, without properly accounting for it and charging it to expense account. Otherwise, a balance cannot be made for the day's business. Neither can the merchant pay out of his bank account without accounting for the money, for the auditing firm keeps a record of this also. Nor can goods or merchandise be taken from the store either by the merchant or any of his employees without charging or accounting for them. The

merchant is charged with the invoice price of his complete stock of goods. What is not sold must be in stock, and if anything has been improperly taken or disposed of, the invoice at the end of the year will disclose it.

It will thus be seen that, by the above methods, the auditing firm has a complete and exact knowledge of every detail of the merchant's business, the same as the auditing department has of each department in the big store, or in each one of a chain of stores. He is charged with and must account for everything connected with his business, the amount of goods purchased, the amount sold, cash received, cash paid out. He must turn over to the accounting firm a copy of every sales cheque for goods sold. Should one be lost or missing, the business for the day cannot be balanced. Likewise, he must furnish it with a copy of the record of money paid on expense account, or his cash account either on hand or in the bank cannot be balanced. A system of this kind is like a machine. A record of every transaction in the business

must be made and turned over to the auditing firm for the proper working of the machine. If one record is lost, missing, or not reported, no matter how small the item, it is like a cog dropping out of the machine. The machine does not work properly, and a balance for the day, or month, or year, cannot be obtained.

The auditing firm does the complete auditing of the merchant's business and relieves him from all work of this character. It can do it at less expense than the merchant can do it himself. By means of adding machines it quickly obtains a summary and balance of each day's business. The merchant's business is too small for him to own such a machine. The auditing firm keeps an accurate and systematic record of his credit accounts. It employs a collector who does this work for all the merchants under the firm. His accounts are thus collected quickly and better than he could do it himself. Furthermore, the collector has the time to look after his bad accounts. The merchant has neither the time nor the disposition, and he could not afford to employ a collector of his own.

The accounting firm also acts as an information bureau on credits. It gives the merchant reliable information as to whom credit should be extended, and to what amount. He is in touch by telephone at all times with the firm, and has devices for obtaining information without giving offence to the customer.

Creditors pay their accounts either at the store or at the office of the accounting firm. Such accounts as are not collected by the collector are generally paid direct to the accounting firm.

The accounting firm also does the merchant's correspondence. Generally the merchant calls each day at the firm's office. He obtains such information as he wishes to know concerning his business, and consults the firm concerning any details on which he desires advice. At this time he will likely dictate to a stenographer such correspondence he wishes to write. The whole is done within a short time and these matters are off his hands and taken care of for the day. His business is not large enough to afford a steno-

grapher, or even perhaps a typewriter of his own. If for any reason he has not the time for a personal call, he will communicate with the firm by telephone, obtain by this means any information he desires, or dictate to the stenographer any letters he wishes to be written.

In the larger cities and towns a still more extended use of the system has been made. Where there is a sufficient number of stores of the same kind, whether groceries, drugs, restaurants, &c., to employ the services of one accounting firm, the latter also acts as a buying agency. Goods or supplies can thereby be purchased in larger amounts, or in car-load lots, at less prices, by combining the orders for each kind of goods of all merchants. This plan overcomes one of the advantages of the big store, or chain of stores—the buying of goods in large quantities at less prices. There are other uses of the plan, such as the same delivery system, the same drayage, a common warehouse for storing stock and a means of supplying each other when out. It will be seen that such a system of

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individual merchants is very little different from, and that it possesses almost as many economic advantages as, a chain of stores conducted by a single company.

The system outlined above is used in all kinds of merchandising, no matter how large or how small the amount of business. For hotels and cafés other systems are used designed to meet the conditions there arising, which are well known in other countries where they were first developed, and concerning which the reader can inform himself from any book on modern business methods.

In those lines of business in which the sale is small, such as restaurants, quick lunch counters, confectioneries, bakeries, barber shops, &c., quicker and more expeditious devices are used for receipting the customer and for ascertaining the sales of each waiter or clerk and the total sales for the day. Instead of a blank sales cheque upon which the items of each sale are written, a sales cheque is used on which is printed different amounts, running from 5d. to 2s., or whatever amounts

suit the business. The amount of each sale is punched upon this sales cheque instead of written. If there is more than one purchase by the same customer, the highest amount punched is the amount to be paid. These cheques are consecutively numbered and in pads of from fifty to one hundred and fifty each. All cheques must be accounted for to the auditing firm, first by the manager for the whole, and by each clerk or waiter for the cheques in their custody.

Still another cheque is used which is especially adaptable to the smallest business, such as the small barber, or cobbler shop, news, candy, or fruit stand, &c. This cheque is a quick means of receipting the customer and an accurate means of ascertaining the receipts for the day. Different amounts are printed on this cheque, the lowest amount being at the bottom. A perforated line runs across the cheque, so that the amount of each purchase can be easily torn off. From that part of the cheque remaining in the book the amount of each sale is ascertained, and

from these the total of the day or week. These cheques are in pads of fifty to one hundred and fifty, are consecutively numbered, and all must be accounted for.

So far as the purchase of stock, tools, or supplies, and overhead expense is concerned, the same system used in the large stores applies, for an accurate record must be kept of these in the smallest business as well as in the largest. The record, however, is much smaller, simpler, and easier to keep.

Still another device is that of stamp cancellation. In some Districts and States this system is also used to cover receipts for small amounts. Stamps are obtained of the accounting firms who keep an accurate record of the amount furnished each citizen. In every transaction a stamp is torn from a sheet or roll, and cancelled. Small stamp cancelling machines are used which quickly detach and cancel the stamp at the same operation.

This system is both inexpensive and reliable. The great postal systems of all countries rely upon cancelled stamps to cover millions of receipts from all their

branches. Millions of revenue are also collected by the same means. The same system is applicable to any business, especially the small business, the requirement being that a stamp be cancelled covering the amount of cash received in each transaction.

Everyone who conducts a business of any kind receipts for the money received by one of the above methods—either a sales cheque, punched cheque, tear off cheque, or cancelled stamp. The receipts are accounted and turned over to some accounting firm with which the business is connected. At the end of the month the citizen pays the amount of his earnings, less 20 per cent., for special needs, to the Sub-district office in which he resides, which is verified and certified to by the auditing firm. In return he receives the equal wage and other allotments and benefits herein set forth. All those citizens not engaged in any business for themselves, such as working men, employees of all kinds, and farmers, deal directly with, and report and turn their earnings over to the Sub-district office in which they reside.

CHAPTER XXVI.

THE FARMER AND THE NEW ERA.

THE same system applies to farming and all allied occupations. The successful farmer must be a good business man as well as a good farmer. Lack of systematic business methods has been the cause of many a failure. Landlords are also taken advantage of by tenants because they trust to honesty and there is a total absence of business methods between them. Trusting to honesty is a poor policy, and has long ago been discarded in good business circles.

In Equaland the business side of farming is transacted according to business methods. We have seen that each individual merchant or business man is charged with the net cost of all goods purchased during the year, and with their selling price; that he must account for all goods purchased in sales or else have them in

stock when the invoice is taken; and that he must render a true account of his overhead expense.

So each farmer is charged with the cultivation of all the tillable land on the farm he occupies; with maintaining his average earnings; with producing a certain amount of crops each year; with accounting at the end of the year for all products produced either in sales, or on hand to be disposed of later. If the average earnings of a farmer have been £200 per year and by reason thereof he has been given the use of £600 in buildings and personal property, £200 must be made each year or a rental charge paid covering the deficiency. And whenever the earnings fall below the average the District's loss in soil value must be paid, except in cases of strictly unavoidable cause.

All citizens, including farmers, must earn a certain amount each year in accordance with the value of the real and personal property of which they have the use for home purposes, or must pay a rental difference. But this does not apply to

earnings in excess of £200 per year used for business purposes, or to farms received upon an award. If a farmer who has been earning £200 per year receives an award of a farm earning £300 per year, and on which there are £600 worth of buildings, he is not charged with earning £300 per year, but £200 per year for five years, at the end of which time a new average is established which he must maintain. One man should not be required to equal the average of another whose farm has been awarded him for the reason that the former occupant might have been an exceptional man whom very few could equal on the same farm. And then a large part of his earnings might have been from stock, poultry, &c., in which he was unusually successful. Hence, each man is charged with maintaining his own average in case of award, but otherwise the amount of earnings must be in proportion to the value in the building and personal property.

Each farmer is also charged with producing a certain amount of crops each

year. In those countries in which individual ownership obtains, the landowner can do as he pleases with the land. He can cultivate it poorly, indifferently, or not at all. The loss is his own, and no one is interested except himself, his family, and his creditors. But under a community system the District, or State, is financially interested in each piece of land. The land belongs to the District as a whole, and the use of each piece of land possesses a certain monetary value each season, which should be realized in accordance with the season. But this is no more than every farmer owes himself, no matter in what country or under what system he lives—to realize in crops the monetary value of the use of the land occupied. The vast majority of farmers everywhere voluntarily strive and endeavour to obtain a certain amount of crops, to equal the average for the season, to do at least as well as the majority.

So each farmer is charged, not with producing all of which his land is capable by the most intensive and improved methods of cultivation—only a few are capable of

doing this—but with equalling the average for the same kind and character of soil throughout the Sub-district. This is a requirement that nearly every farmer can meet, which the great majority are desirous of meeting, and it protects the State against the indifferent and inefficient. If the farmer exceeds the average he will be rewarded accordingly. If he fall below the average he must pay the District its loss in soil value.

This average is obtained at the end of the year from the amount of crops actually produced. When the crops are planted, each farmer makes a record in a duplicating book issued to him for the purpose as to the date, kind of crops, and the number of acres planted. He retains one copy of this record and sends the other to the auditing office of the Sub-district, and thereupon becomes charged with producing the average crop as above explained. He also makes a duplicate record in his Crop Report Book each month of the condition of each crop as compared with the normal. Weather con-

ditions and other causes that have damaged or retarded the growth, and the extent, or amount, are given; also the number of labour hours performed. The monthly crop report made out by each farmer is presented for approval, or correction, to the crop inspector, or reporter, for the neighbourhood before going to the Sub-district office. There is such an inspector in each neighbourhood of from four to six square miles in extent according to the density of population and size of the farms. They are appointed by the Sub-district and are paid for their services. Being reliable and competent men, through practice and experience, they become skilled in judging true crop conditions. They make such correction of the farmers' report as is necessary to make it conform to the facts. If a certain crop should be below the average from any avoidable cause, such as neglect, poor cultivation, poor management, &c., it is so reported. Likewise, if any crop is below the average from unavoidable cause it is reported; also the extent and cause, so that the farmer may obtain credit for the labour hours lost.

The Sub-district office also makes observations and tests of its own. All favourable and unfavourable conditions, such as the time of planting, condition of ground, amount of rainfall, and the effect of each on the different crops, also damage from any cause, such as drought, excessive rains, frosts, injury by insect, wind-storm, or from any other cause are carefully noted and recorded. It is also known at the Sub-district office, from records and scientific tests, how much each piece of land produces and the number of labour hours required to bring any crop to a certain stage.

From the reports of the farmers, approved and corrected by the crop inspectors, and from its own observations and tests, crop bulletins are issued monthly by each Sub-district office. These crop bulletins are remarkable for their accuracy as to true crop conditions. They are not much different from the crop reports issued in different countries, except, instead of being based upon general estimates, they are based upon reliable and accurate information as to the condition of every crop.

These bulletins give each farmer notice while the crops are growing as to what the average is, as well as the number of labour hours being performed. When it is remembered that each farmer must equal the average in crops and perform the average yearly labour hours, it is important that he have information concerning both.

The final reports are not made out and sent in until after the crops have been harvested. In order to ascertain on the part of the District the amount of crops actually produced, and to be fair and just to the farmer and not estimate and charge him with more than he has produced, tests are made while the crop is being harvested to ascertain by measurement the amount produced. These tests are easily and quickly made. For instance, a field has a certain number of rows of the same length. A row is selected, the crop removed and measured. From this the amount of crop for the whole field is computed. After a sufficient number of crops have been tested to cover the different kinds of soil, the different conditions of the various crops in

the same soil, a separate report is made by the crop inspector for each crop in his territory. Each farmer receives a duplicate of the report on his crop. If any find that they are charged too much, a test is made to ascertain the true amount.

It is not necessary to so test those crops which are harvested or prepared for market by machinery. There are many machines, such as thrashers, clover hullers, corn huskers, &c., which measure the crops handled by them. The machine owners are required to report to each Sub-district office the results of each crop handled by them within its territory. More crops are handled by machinery in Equaland than in any other country, and machine measurements are an accurate means of ascertaining the amount of crops produced.

It will thus be seen that the Sub-district office obtains from the final reports of the machine men and the crop reporters reliable information as to how much crop each farmer has produced. The farmer is now charged with and must account for, either in sales or otherwise, the full amount of

crops. If he should hold a crop for some time, a certain allowance will be made for shrinkage, if any; also an allowance will be made if there has been any loss or destruction by unavoidable or unpreventable cause. He may also consume what is needed for table use. But with these exceptions, all products must be accounted for; he is so charged, the same as the merchant is charged with accounting for his complete stock of goods.

We have also seen that the merchant is charged with a certain selling price fixed by himself. So the farmer is charged with obtaining the market price at the time of the sale. If he should have a damaged or inferior product which does not command the market price, the Sub-district office has notice thereof in the reports of the crop inspector. Each farmer uses his own judgment as to when and where he will market his crops. But he must account for all products sold and at a certain price.

It is difficult for him to dispose of anything and not account for it, because an itemized record, no matter how large or

small the transaction, must be made of each sale at the time it takes place. For this purpose a triplicating sales book is used similar to the one used by the merchant and his clerks. One copy of each record goes to the purchaser, one to the auditing office of the Sub-district. The third copy remains in the book for the farmer's convenience and protection. The Sub-district office supply the sales books, the cheques are consecutively numbered, cannot be changed without detection, and each one must be accounted for.

An additional safeguard to the District is that when payment is made by cheque, which is generally the case, the cheque is made payable to the Sub-district in which the payee resides, per himself. Small cash sales are sufficiently protected by the sales cheque, and gardeners, dairymen, &c., use the punched cheque, the tear-off cheque, tickets, or stamps to save time.

At the end of the month the farmer accounts to the auditing office of the Sub-district by presenting copies of all sales cheques used, together with money cheques

and cash covering and balancing the sales cheques. He receives credit for products sold and labour hours in accordance therewith. At the same time he has for his own reference and study a complete and accurate record as to how well he has succeeded as a whole and with each crop. A study and comparison of this record with his cost or expense record is instructive and profitable. And in case of error on the part of the auditing office as to the amount of his sales, or dispute with any purchaser, he has an itemized record of each transaction.

Can the farmer sell anything surreptitiously and not render an account thereof? Under the system in use, it is difficult for him to do so. He could not possibly so dispose of only a small part of his products. When it is remembered that each farmer must maintain the annual earnings of his farm, produce, or equal the average crop for the year, obtain credit for a definite number of labour hours each year, it is seen that he must produce and sell enough product to meet all these require-

ments before he could sell anything surreptitiously. Furthermore, the Sub-district office has a record as to how much crop he has produced. All his neighbours are interested in seeing that the District receive full returns; so are all persons with whom he deals and sells. The sales cheque protects and safeguards the District the same as it protects the corporation, or big store, against its employees. All citizens with whom he deals require the sales cheque to be given not only because it is the law of the land, but also because all are interested in the full proceeds going to the District. Lastly, there is every inducement to the farmer to make his earnings as large as possible on account of the increased income and allotment he would receive therefrom. Furthermore, an award of a superior and more valuable farm is often dependent upon a few pounds more earnings.

CHAPTER XXVII.

MODERN BUSINESS METHODS AND AGRICULTURAL OCCUPATIONS.

THE farmer is also charged with conservation of the soil. The land must not be robbed of its fertility and exhausted to make quick returns. No good farmer does this, for thereby he only injures his source of livelihood and income. In fact, in Equaland the consequences to himself are greater than elsewhere, and the soil is generally better conserved than in some countries where private ownership obtains. In the first place, each farmer must both keep up his annual earnings and come up to the average of crops produced in the Sub-district each year. The farmer who abuses his land is soon in a position where he cannot do this. Rental charges attach and the District's loss in soil value must be paid. And in cases of exhaustion a special charge is made covering the damage

done the land. These charges reduce his income and soon drive him to a less valuable farm, or out of the occupation altogether.

In the second place, a farmer who has a charge against him of abuse of land is not eligible to an award. He cannot obtain an award of a better farm except by excelling others both as to the amount of earnings and the condition in which he has kept his land. It would not be just to his competitors in case of an award to allow him to reap the benefits of quick and larger returns for a short time by exhaustion of the land. If a piece of land is abused it is always known by the crop inspector and the neighbours. It is easy to prove the fact, and it may be depended upon that neighbours will see to it that such a farmer obtains no unjust advantage over them in this respect.

The farmer is also charged, the same as the individual business man, firm, or corporation, with rendering a true account of his expenses. It is simply a matter of good business for the farmer, as well as

the merchant, to keep an accurate expense account, and in this country it is necessary because the amount of income, allotment, as well as awards, are dependent upon net earnings.

There are two methods of paying expenses, one known as the charge, and the other as the pay system. If the pay system is used the farmer makes use of a certain amount of his allotment, or property use, to which he is entitled, for this purpose. Thus, suppose a farmer wishes to get ahead of his expenses by putting them upon a cash basis. His gross earnings are £300 to £320 per year. His expenses for labour, seed, fertilizer and other items for which no allowance is made, is from £40 to £60 per year. On the first £200 of his earnings he is entitled to the property use of £600. We will suppose that he has to his credit £40 to £60 of this which he has not made use of. He obtains an order for the amount from the Sub-district office and deposits the same in a bank. The order, as well as the bank deposit, is designated "Expense Fund." It cannot

be drawn out, or drawn upon for his personal use, because it is capital which belongs to the District, but of which he is given the use for this purpose, and which, if not used this way, would be invested in buildings or otherwise, and thus preserved for the benefit of the District. The only cheques good against it outside those to a regular business concern are those payable to a Sub-district per the individual who has performed the labour or whatever it may be, and designated "Expense." If for labour, the cheque will also designate the number of hours performed. It cannot be cashed by the person to whom delivered, but must be turned into the Sub-district office in which the payee resides in order for him to obtain credit for its amount in earnings and labour hours.

The farmer also obtains orders from the Sub-district office and deposits in bank the allowance due him each year for repairs to buildings and for maintenance of machinery. Each of these funds is designated both on the order and bank book, is kept separate from each other, and can

only be used and drawn upon as above set forth, for the purpose for which each is intended.

Every time a cheque is issued upon any one of these funds, an itemized record of the transaction for which the money is paid is made in triplicate in the farmer's "Expense Account Book." One copy goes to the payee, one to the Sub-district office, which must be signed by the payee, and one is retained by the payer. At the end of each month or quarter the farmer turns over to the Sub-district office all copies going to it, and they become his vouchers for expenditures on the different funds.

At the end of the year the capital provided for labour and kindred expenses is exhausted. He has used his capital, but it is in his gross earnings. He is therefore entitled to its repayment out of his gross earnings to be so used another year, and so on, as long as he desires it.

If the expense fund is exhausted before the end of the year, money is borrowed from a bank, especially for the handling

and harvesting of crops, which must be paid for in cash. The bank has a lien on the earnings, which can be enforced whenever necessary. Or, if there is no expense fund, the charge method is used. Instead of payment in money, an order is drawn on the farmer's earnings, by means of which so much of his earnings are transferred to the credit of the one performing the labour. Each order is drawn in triplicate, one copy of which is retained by the drawer; the other two are delivered to the party to whom the obligation is due. He retains one of these, and presents the other to the Sub-district office, whereupon it becomes a charge against the person who issued it. All three parties interested thus have a copy of the transaction. In this manner the Sub-district office obtains copies of all obligations the farmer incurs relating to expense. They are properly credited to the different persons to whom due, and the whole is charged against and taken from his earnings.

If the farmer is engaged in any line which requires the investment of capital, such as

poultry, dairying, stock raising, gardening, or any specialty in which there is large and frequent expense, or numerous sales, such business can hardly be transacted except upon a money basis. Capital for these specialties is obtained and expenses accounted for as above explained.

As already stated, none of these funds can be drawn upon personally. Only those cheques are honoured which are payable to a Sub-district and go to make up the earnings of the individual to whom issued. For this reason there is no opportunity for collusion. The individual never does receive the money, or any part of it, but he is paid the equal wage by the District. Thus, the money once paid out is disposed of for good and is beyond the control of both parties, payor and payee. It goes into a common fund to be redistributed to all. For this reason the Sub-district can trust each farmer to see that he obtains value received for all moneys paid out of the different funds.

The farmer is not required to render any account of products consumed by himself

and family, such as milk, butter, vegetables, fruits and nuts. Every farm has its garden, orchard and poultry yard. So do most of the city residences. The State encourages all citizens to produce as much of their own living as possible. The labour hours being short, most citizens have the time and are desirous of obtaining the table and health benefits to be derived therefrom. City lots are large for this purpose, and the cities are not as compactly and closely built as in other countries. So the farmer does not have much advantage over the city man in this respect.

What the farmer consumes himself, the same as the city man, must be produced outside the number of labour hours required for the year. He receives credit for labour hours only on products sold, and not on products consumed. Those occupying small places, sufficient only to produce what they consume, must perform the full number of labour hours in other work, the pay for which goes to the Sub-district, to entitle them to the equal wage and other

benefits paid by the District. Such small country places are classed as city properties with a value attached to the ground for its use.

Each farmer is allowed to use a certain portion of his products in accordance with the size of the family to feed and maintain the poultry and stock consumed. But if, in addition to this, he is feeding and maintaining poultry, or stock, for market purposes, he keeps a record of the amount of products so consumed. It is only good business for every farmer to keep such a record in order to ascertain and study the amount of expenses and profits. The farmer charges himself with and accounts to the Sub-district office for the products so consumed and obtains credit for labour hours accordingly. When he sells any of his stock, poultry, or dairy products, he uses the system before described and obtains credit for so much earnings and for additional labour hours for handling and care.

An inventory is taken semi-annually by a special officer, similar to the tax assessor

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in America, of the amount of poultry, stock, &c., possessed by each farmer. Each is charged with an accounting in accordance with this inventory in sales at market prices. Losses by disease or other unavoidable cause are reported to and adjusted by the crop inspector.

Citizens upon a self-supporting basis, but who have not sufficient labour hours for the year, can obtain credit for labour hours upon products produced and consumed, to make up the deficiency. The object of this exception to the general rule is to encourage village and city gardening, poultry production, &c., it being beneficial to every community to produce as much of its living as possible. It also furnishes the city or country man who is self-sustaining, but short on labour hours, a means of making up the deficiency. Proof as to the amount of products produced and consumed is obtained through a city garden supervisor, or a city garden association in charge of such work.

CHAPTER XXVIII.

EXAMPLES OF BUSINESS TRANSACTIONS.

As the ultimate title of all land is in the District, subject to the individual ownership and possession of its citizens, so the ultimate title to all capital and personal property used for business purposes is in the District, subject to the use and possession of its citizens. The title of the District in its capital is preserved in all transactions concerning it, and follows it into whatever business it may be invested. This is necessary because the citizen is the trustee of the District, and in order that the capital or investment may revert to the District at the citizen's death to be awarded other citizens.

In order to illustrate how the District protects its capital, let us suppose a certain citizen, John Doe, has earned and is entitled to the use of £2,000 capital for business purposes. He obtains a cheque or order for this amount from the District

auditor, which cheque or order is designated "District No. 21, State of —, Trust Fund." He deposits the order in his bank, the deposit being designated the same way on the certificate or the bank book. The bank makes out a duplicate deposit slip, one copy of which is sent to the Sub-district auditor, who thereby becomes notified as to where the money is deposited. This fund can only be drawn upon for business or investment purposes, and no personal cheques against it are honoured.

If corporation stock is purchased a cheque is drawn as follows:—

"Pay to the order of District No. 21, State of —, per Henry Jones, Two Thousand Pounds.

For 100 shares General Electric Stock.

(Signed) District No. 21, State of —,
Per John Doe."

The stock certificate is worded something like the following:—

"This is to certify that District No. 21, State of —, is the owner, per Henry Jones, of 100 shares of stock, par value £20 each, in the General Electric Company.

The General Electric Company,
By Wm. Smith, Treasurer.

Countersigned, John G. White, President."

The stock is transferred as follows :—

“ Title to the within stock is hereby transferred to District No. 21, State of —, per John Doe. Consideration, £2,000.

District No. 21, State of —,
Per Henry Jones.”

If Henry Jones should have been the resident of another District or State, the cheque would have been drawn to the District of which he was a resident.

Each time a cheque is drawn upon a trust fund in making a purchase, an itemized record of the transaction for which the money is paid is made in triplicate. One copy is retained by the payor, the second copy goes to the payee, and the third copy, being signed by both the payor and payee, accompanies the cheque to the bank, and is then sent by the bank to the auditor's office of the Sub-district in which the payor resides. By this means the Sub-district ascertains exactly for what the money has been used. It keeps a record of the stock purchased for the District by John Doe, as trustee, and requires him to account for his earnings therefrom.

When John Doe sells the stock he makes out a triplicate bill of sale; one copy goes to the purchaser, one is retained by himself, and the third copy goes to the Sub-district auditor. Title does not vest in the purchaser until the Sub-district office receives its copy of the bill of sale. The cheque received in payment of the stock is deposited in bank, duplicate slips being made by the bank, one of which is sent to the Sub-district office.

Thus John Doe can invest his capital in the stocks or bonds of corporations located anywhere, his cheques not being good or honoured unless accompanied by an itemized statement signed by the seller. He may sell to whom and whenever he pleases. The Sub-district office receives notice of every transaction, knows what is bought, sold, and where the money is deposited. All this is accomplished with very little additional time on the part of the original parties—no more than that required by a saleslady in writing the particulars of the sale of a piece of calico. John Doe has absolute freedom of action, the only re-

quirement is that he obtain the market price at the time of the sale. In the smaller cities there are Boards of Trade, and in the larger cities Stock Exchanges, the secretaries of which give their approval as to market prices. In those cities in which there are regular Stock Exchanges citizens who are large dealers in stocks and bonds make their transactions through auditing firms which make a specialty of this line of business, the auditing firm making daily and monthly reports to the Sub-district in which the citizen resides. Those who buy on a small scale or only occasionally transact such business directly through the auditor of the Sub-district as above explained.

The same method is used if the capital should be used for business purposes. John Doe draws a cheque transferring the capital to whatever business it is invested in. If it should be his own business, a cheque is drawn payable to the order of "John Doe, Groceries," "John Doe, Drugs," "John Doe, Hardware," or whatever the business may be. An itemized statement

in triplicate is made at the time. One copy accompanies the cheque and goes to the Sub-district auditor, who is thereby informed that John Doe has transferred so much capital to his business. Another copy is sent to the auditing firm of the business through which John Doe accounts for his earnings in the business. The same method is used if the capital should be invested with another firm, or in the purchase of a business.

If a business is purchased, a similar cheque is drawn, and the business is transferred as follows :—

“ Know All Men, by these presents, that I, the undersigned, Henry Jones, in trust for District No. 21, State of —, for and in consideration of the sum of £2,000 do hereby transfer, sell and convey all my right, title and interest in a certain drug store located at the corner of Sixth Avenue and Tenth Street in the City of — to John Doe in trust for District No. 21, State of —.

District No. 21, State of —,
Per Henry Jones.”

If a farm is purchased the Bill of Sale, or Deed, is worded as follows :—

. . . . “ for and in consideration of the

sum of £1,000 I hereby transfer, sell and convey all my interest in and right of possession to farm No. 142, Sub-district No. 18, District No. 21, State of —, to John Doe, in trust for District No. 21, State of —."

Signed as above.

What is sold in this case is the value in the buildings and other improvements, which carries with it the right to possession of the land. The land itself is not subject to sale. In this instance the occupant of the farm has been earning about £400 per year, from which earnings he has obtained, by using a portion of his surplus earnings for this purpose, £1,000 worth of buildings and improvements. In case he sells, he is entitled to the use of this much value, or whatever he can obtain on sale, in other ways, either in purchasing another farm, or for business or home purposes in case he desires to change his occupation.

The Trust Fund can be used only for business or investment purposes, and cannot be used personally, and no personal cheques upon it are honoured. A person who is an agent, employee, or trustee would have no right to use trust funds

personally. This is the law of all countries.

In like manner, if John Doe is not occupying as valuable a house as he is entitled to, if he wishes to enlarge or improve his present house, or build new, the same method is used. Let us suppose he wishes to make £400 worth of improvements to his present home. He draws a cheque and transfers £400 to John Doe, "House Fund," with an itemized statement, a copy of which is sent to the Sub-district auditor, who makes a record of the fact. All cheques on the fund in paying for the improvement are designated, "House Fund," until the whole is paid out. The Sub-district auditor is fully informed of each transaction by means of the itemized statements which accompany the cheques.

So if John Doe has a certain amount of capital he is entitled to use in personal property, he transfers or deposits the amount in his personal property fund. Most citizens have four bank accounts, or funds. First, a personal fund into which is deposited the equal wage and 20 per cent. special needs, and upon which

cheques are drawn for living expenses, designated "Personal." Second, the house or home fund in which is deposited any money to be used for building, improvements, &c., and also the yearly repair fund of 5 per cent. of the earnings. Third, the personal property fund in which is deposited funds for buying household furniture, tools, machinery, personal effects, &c., and the 5 per cent. of earnings allowed for replacing and maintenance. Fourth, the trustee fund in which is deposited capital to be used for business or investment purposes. There is also an Expense Fund, used by farmers. These funds are designated Personal, House, Chattel, Trust, and Expense. Banks issue deposit books for each fund, also cheques to correspond, upon which is printed the name of the fund. This makes it an easy matter for the citizen to keep the fund separate by having a cheque upon which the fund is plainly designated. While there are five funds, only one is much used, the first or Personal. The House and Chattel funds are used only occasionally and are gener-

ally small. Many citizens let these funds accumulate at the Sub-district office until needed. The Trust Fund is also used but comparatively few times, because it is generally transferred to a business where it becomes a part of the business under an auditing firm. For these reasons the extra funds, or accounts, do not require much additional auditing on the part of the banks.

Each time a cheque is drawn upon any one of the funds, except the Personal, an itemized statement is made in triplicate of the transaction for which the money is paid. One copy is retained by the payor, one is given to the payee, and the third copy, being first signed by the payee, goes to the Sub-district office. At the end of each quarter or year, with the exception of the "trust" cheques, which are reported at once, the citizen turns over to the Sub-district office the copies that go to it, and they become his vouchers for expenditures on the different funds.

CHAPTER XXIX.

THE SYSTEM NOT CUMBERSOME, NOR EXPENSIVE.

THE foregoing system, which is nothing but modern business methods enlarged and applied to all occupations and pursuits, covers every transaction of the citizen as trustee or employee of the District. It has been applied to every business, however small; to the professional man, capitalist, farmer, employee, as well as the common labourer. It has made possible a more equitable distribution of the means of subsistence between the rich and the poor.

The system is not cumbersome and does not require too much time. In the large Department Store there is sometimes as high as fifty thousand sales a day. Yet an itemized record is made of each sale and of every transaction that takes place between the different departments and the different employees in handling such a vast volume of business. Too much time

is not taken by the employees in making these records as in any way to encumber the business, or to interfere with its success. The farmer's sales, which are generally in bulk, are few as compared with those of the retail store, and the record necessary in each instance is made in a moment's time. So the transactions of the capitalist, the receipt for services by the professional man, the employee, or labourer, are few as compared with those of the average retail clerk.

The working of the system does not require any more intelligence or education than has been heretofore possessed by the average farmer or working man. The new sales clerk takes her position behind the counter in the big store and, possessing only common intelligence and education, quickly learns, and is able to perform her part in the working of the system. All that is required of her, so far as the system is concerned, is the ability to write the items and add the totals of each sale. In Equaland, where education is general and compulsory, every citizen is able to add

and write. But it would not be absolutely necessary that the farmer or labourer be able to write to meet the requirements of this system. The inability to write is a great inconvenience, but that one can be successful, accumulate wealth and transact business without this ability has been demonstrated in different countries. Those who cannot write must call upon and trust to others to do it for them. So the farmer who does not possess this art would have to trust to the purchaser, in case of a sale, to make the sale record for him, and the labourer would have to trust to his employer to make the bill of sale for his labour. If it should happen that both parties of a transaction could not write, a third person would have to be called upon to make the record.

If the farmer would not be able to make out his monthly crop report, the crop inspector would do it for him. In some American States each farmer is required to report to the tax assessor not only all items of personal property and their value, but also the amount of each kind of pro-

duct produced by him during the year. Hence, the reports required in Equaland are no more difficult, intricate, or extensive than what is required in America in making tax returns, and necessitate no more intelligence or education than what is now possessed by the average American farmer.

The system is not too expensive. The expense has not deterred business men and corporations from making use of modern business methods. In fact, the system prevents losses and leaks, and saves far more than it costs. Each District, being like a corporation, needs the same protection from losses and leaks upon the part of its dishonest citizens as the business corporation, in order that the wealth produced and created each year may be preserved entire for the benefit of all. Hence, the system saves the people as a whole far more than it costs.

The successful working of the system requires no more honesty than has been heretofore possessed by mankind. Its object and purpose are to obtain from each

citizen a true account of his earnings in order that a more just distribution of the means of subsistence can be made in accordance with need. One of the objects in designing and developing modern business methods was to protect the employer against dishonest employees, to require each employee to render a true and full account of all business transacted by him. That this object has been attained in a pre-eminent degree is well known to all those who are familiar with the practical workings of modern business methods. The economic system of Equaland being nothing more than this same system enlarged and applied to every business and occupation, requires no more honesty than has been heretofore possessed by the average employee of the big store or corporation, and protects the State against each citizen the same as the big store or corporation is protected against its employees.

The majority of mankind is honest; at least sufficiently so as to render true accounts when any system is used to detect dishonesty. The above system is greatly

beneficial and highly favoured by the honest majority—that is, by the people generally. By means of it an exact record is obtained of the earnings of each citizen. It furnishes unquestioned proof as to exactly how much each citizen is entitled to from the District; the amount of income for living expenses, of allotment or use of capital in a home or business, retirement benefits, as well as who is entitled to advancement or promotion in case of an award.

CHAPTER XXX.

CHANGES NECESSARY FOR THE BEGINNING OF THE NEW ORDER.

THE question is frequently raised by sojourners in Equaland as to whether its economic system is adaptable to other countries, and if adaptable, what changes would be required for its adoption. While State Socialism may work well in a new country which has comparatively few large cities, is it applicable in the largest cities of other countries containing several million population?

A District, it has been observed, is similar to a corporation. Its citizens are its employees, accounting to it for their earnings, and in return are paid an equal wage and other benefits. There are railroad systems or corporations in the United States having 150,000 employees. Counting four people to each employee, to allow for women and children, would make a population of 600,000. The Railroad Com-

pany transacts a vast amount of business daily and monthly in handling its passenger and freight traffic, and expends millions of pounds annually in maintaining its right of way and rolling stock. The earnings of all employees go to the company, and in return the company pays each employee a certain monthly or semi-monthly wage. If a single railroad company can handle successfully 150,000 employees, not only receiving their earnings but controlling all their activities and paying its employees monthly, so could a District containing the same number of employees which only receives the earnings of its employees, but does not control their activities.

There are in the Postal Service of the United States 295,461 employees, according to the figures for May, 1, 1916. It is operated as a single system or a unit. Allowing four people for each, these employees represent a population of 1,181,844. Should the demands of the service require it the number of employees might be doubled or trebled, representing a popula-

tion of from two to three million. The earnings of the postal employees are accounted to the Post Office Department, and in return they are paid for their services monthly and in some cases semi-monthly. If, instead of being scattered throughout the United States, the postal employees were located in a single District, or city, all within close personal touch and within easy telephone communication with each other; if, instead of all being engaged in the same occupation, they were engaged in different occupations, free and independent of each other and of the District so far as their occupations are concerned, would not the District be able to handle this number of employees as successfully as the Post Office Department, obtain from each a true account of his earnings, and in return pay each a monthly wage and other benefits?

We have in the postal system of the United States a demonstration of the fact that a District or city of a million population could be successfully handled and operated under a system of full and com-

plete State Socialism. In the leading countries of the world there are but comparatively few cities containing more than a million inhabitants. In the United States there are but three such cities, while a large portion of the inhabitants live in smaller cities and rural counties containing from 25,000 to 50,000 population, and in which under State Socialism there would be from 6,000 to 15,000 employees. The average District in the United States would contain about 50,000 population.

A District should embrace an entire city, and in case the earnings of a certain District should be much in excess of the average for the State, such excess should be accounted for to the State. Such a provision might be advisable in case there were a number of wealthy citizens or millionaires residing in the same District whose earnings would swell the average beyond that of the rest of the State. On the other hand, Districts in which the earnings are considerably below the average for the State should be assisted by the State at large. A further provision is desirable

in case of citizens earning very large incomes drawn from an industry or business doing a national business. Such citizens should pay an income tax to the nation at large on a certain proportion of their earnings. This is necessary to prevent profits obtained from the country at large being drawn and distributed in and for the benefit of one District or State, and from these funds the nation should assist those States in which the earnings are deficient. In all the larger European and American cities there are slum sections in which congregate the poor. By making a District co-extensive with a city, the slums or poor sections, where the earnings are low, can be taken care of by the rest of the city where the earnings are high. The inhabitants of the slums would not earn as much as they receive. They would generally receive their rent free, and in some instances more. The object and purpose of State Socialism is to banish poverty and effect a more equitable distribution of the necessities and conveniences of life.

As to whether the largest cities of the

world, such as London, New York, Berlin and Paris, could be operated as a unit, let us take for an illustration a certain railway system. There are in the service of the Pennsylvania Railroad System, east and west of Pittsburg, approximately 225,000 employees. All the accounting for the entire system is taken care of by two accounting departments, one for the lines east of Pittsburg and one for the lines west of Pittsburg, each accounting department being in charge of a comptroller. These two departments handle all the statements of earnings and expenses for the entire Pennsylvania System, and the employees are paid twice a month through the Treasury Departments of the lines east and lines west of Pittsburg.

We have, then, two accounting departments for 225,000 employees, or for 900,000 people, counting those dependent upon them. This would make one accounting department for 450,000 people, one-fourth of whom would be employees, entitled to the equal wage. On this basis, if we had a city of 4,500,000, we would need ten

accounting departments, and in like proportion for whatever the size of the city.

It would be no more difficult for an accounting department at the head of a city than for an accounting department at the head of a railroad company, covering the same number of employees. The only thing necessary to be uniform throughout the city is the equal wage. The other factors are fixed and are run and operated in divisions, or sections, a Sub-district being such a section. If we had a city of 4,500,000 under ten accounting departments, all that would be necessary would be for the comptrollers to get together to determine what is to be the equal monthly wage for the entire city, and make the necessary equalizations among the different departments to cover the same.

In any city, a change from the present economic system to that of State Socialism could be effected peacefully and quietly without any disturbance to business or industry. All citizens would continue in the same trades and occupations and in the same positions they now hold. All busi-

ness and all industries would be conducted in the same manner and by the same methods as at present. State Socialism does not in any manner attempt to change the methods of production. The difference would be that every business would have to employ the services of an auditing firm and be conducted according to modern business methods. This would only be good business policy for every business not now so conducted. At the end of each month all citizens would account and pay over their earnings to the auditor's office of the ward or township in which they reside and receive the equal wage and other benefits to which they are entitled.

No changes would be necessary as to the control and possession of real and personal property held by citizens, except properties rented for residential purposes. The individual ownership of property for residential purposes is not in harmony with the housing system, under which the country or city itself undertakes to furnish each citizen a home in accordance with earnings. Hence, individual ownership in this

class of properties would cease, the properties would be turned over to the city, and the former owners paid their rental value by the city as long as they live. At their death the properties would belong to the city absolutely. In the case of farm properties occupied by tenants, the buildings would go to the county to be administered under the housing system, the former owner being paid their rental value during his lifetime. The latter would also have control of the land, for the use of which the tenant would have to pay him rent or a share of the earnings. There would be no change as to the control of business properties occupied by tenants. Owners of this class of properties would continue to exercise the rights of ownership and control the same as before. With the above exceptions, then, all citizens would retain possession and control of whatever property, business, or other rights they possessed at the time of the change. Those citizens possessing more property than they are entitled to in accordance with earnings would be charged the rental value

on the difference, and those in possession of less than they are entitled to would be paid the rental value on the difference. The only other difference would be that at the death of the citizen his property or business, instead of descending to his children, would revert to the country or city to be awarded other citizens upon a competitive basis.

This would necessitate the repeal of the inheritance laws, as now in effect, in different countries of the world. In the United States the inheritance laws, embracing the Statutes of Descent and Distribution, and of Wills, could be repealed by mere act of the State legislatures, for in many of the States they do not rest upon any inherent or Constitutional right, but only upon statutory or legislative enactments. Congress has the power to repeal the inheritance laws for Alaska and to substitute therefor a law providing for the reversion of property to the State at the death of the possessor, and to pass other laws embracing the principles of State Socialism.

But whether the inheritance laws rest upon mere statutory or upon Constitutional right, as may be the case in some European countries, it is well known that the Constitutional law of any country can be changed, and is changed, whenever a strong majority of the people demand it. In England, for instance, the unwritten Constitutional law is more flexible and subject to change than that of the United States. If the people of England, or any other European country, desire State Socialism, the inheritance laws can be changed and a system of laws embracing State Socialism passed and put into effect. There would not necessarily need to be any change in the political form of government of any country adopting State Socialism, as the laws embracing State Socialism would be subsidiary to, and operated under, the general political laws governing the country.

The necessary laws having been passed and put into operation, each citizen would be given the use of a certain amount of his

earnings for home purposes; also a certain amount for household furniture, tools, machinery, and business purposes. A certain limit would be fixed beyond which the citizen's earnings would be free for business or investment purposes. As to how much property would be allowed for home purposes would depend upon the number of families and an appraisement at their true value of all houses, apartment, and farm buildings in a city or county. As to where the limit would be fixed would depend upon the average annual earnings of all the earners in the city or county.

All working and earning citizens would become the agents, trustees, or employees of the State. But this would not be a great change for the great majority of people, for most people are in the trustee or employee class now. All teachers in the public schools and colleges are agents or trustees of the State in the conduct of the educational system. Officers of the army and navy, all admirals and generals are mere trustees or servants of the State, to whom

is given very full authority, who render services of a high quality, for which they are paid a wage. The same is true of the judiciary, and of all national, State, city, and county officials. They are but servants or agents of the State, being paid a wage for their services. So in the business world, the officers and managers of all the large companies and corporations engaged in the many lines of business, the officers and managers of railroad companies, insurance companies—in fact, all people who work for a salary or wage are in this class. Then consider the immense number of lesser employees now in this class, the large number of common workers of all kinds, workers in factories, in mines, and in every kind of work for which a wage is paid. All railroad employees from the president of the road down to the section hand, as well as all common soldiers and sailors, are in the employee class. They are agents, trustees, or servants to do the particular work they are employed to do.

This class comprises a very large part of the people, from the common labourer up

to men in the highest positions, railroad presidents and managers, college professors and presidents, judges, generals, admirals, the active managers and directors of great corporations and business enterprises of all kinds. Since so large a number of our citizens now belong to this class, and render the State the highest, the best, and most efficient service of which they are capable, it would not be a very great departure from present conditions to require that all citizens be of this class. It would be far better for society as a whole. And is there any reason to doubt that the business man, manufacturer, stockholder and farmer would render any less efficient service to the State if paid a wage and recompensed by the State in proportion to ability and earnings, than the college president, judge, general or admiral?

What, then, would be accomplished by the change to State Socialism? By making all citizens trustees or agents of the State absolute ownership of property would be abolished. The American Constitution abolished nobility and made all citizens

equal before the law. But in the place of the nobility there has developed in this country a property holding class. Great fortunes have been accumulated and perpetuated by reason of absolute and unconditional ownership of property. Their owners possess greater power, live in greater luxury, and exact a greater toll from society than the nobility ever did. It is becoming more and more difficult for those possessing nothing to acquire property holdings. Children born of parents owning property have advantages over those who possess none. These can be overcome only by exceptional ability and energy, which the great majority do not possess. By the abolishment of absolute and unconditional ownership of property, all would be given an equal opportunity. The position any citizen would be able to take in society would depend upon his individual merit and ability. This, then, is what would be accomplished, economic equality, an attainment which would be as great an advance in the world's progress as was the achievement of political equality.

Press Comment
on
"State Socialism After the War."
(American Press.)

It is agreed by all thinking men that the world is going to be changed radically in many respects when the Great War is over. This requires no gift of prophecy, as one has only to look at history for precedents. To mention only one instance, the Napoleonic Wars practically revolutionized modern civilization in Europe, and fortunately most of the changes were for the better. It is not only because of the size of the present conflict that great changes are expected, but because of certain factors of a social kind which were becoming prominent before the war that lead men to believe that civilization is going to be essentially different in many important particulars.

Just now the State Socialists are to the fore with predictions, and they are about the only philosophers who seem to have any certainty as to the future. They had been working hard with small results before the war, and they now claim, not without some degree of plausibility, that it will be impossible for the belligerent nations to return to the former conditions of individualism in industry because they cannot

afford to and because they have seen the power of the new philosophy. . . . The argument is that State Socialism has proved so profitable and otherwise successful in war that it will be much more so in peace and that, as an added inducement, it will permit the belligerent nations to pay their debts easily.

Mr. Thomas J. Hughes, a Western lawyer, has written a book which shows a good deal of study of the situation and at the same time smacks a little of "Looking Backward," as it is a punitive retrospect showing the regeneration of the world in a few years after the war. This is an amazingly optimistic volume written in a cheerful style and portrays a glint of Millennial dawn. . . .

This book is worth reading for information. It contains much that is excellent, and whether it is prophetic or not, the author is dominated by a desire to see civilization much better than it is. Certainly the events of the last three years have shown that much reform is needed. It may be that the State Socialists are to be very great factors in the future, and the very possibility of this should lead all serious men to study the propositions set forth by the proponents of this new doctrine. It is not likely that this school of practical philosophy will dominate the world, but it is wholly likely that it will profoundly affect the future.—*Book News Monthly, Philadelphia, Pa.*

. . . Mr. Hughes' book has a genuine value and interest. It predicts not only a radical change of social conditions after the war is over, but it also

makes clear that this change is to be a Christian social change, based on the Sermon on the Mount. A certain number of chapters outline the exact ways in which this is to be worked out in a hypothetical experiment in "Equaland," East Africa. . . . It is the spirit of the book which makes its appeal, one not unlike Bellamy's "Looking Backward" in its pictured conditions.—*Christian Advocate (Methodist), New York City.*

Never before has there been so broad a basis of practical experience for the discussion of State Socialism as there is to-day. All Europe is trying it more or less, and some countries to an extensive degree.* Starting with the conditions that have developed during the present war, Thomas J. Hughes gives us a book on *State Socialism After the War*, which is an instructive and illuminating contribution to the literature of socialism. The author regards the social system taught by Jesus as State Socialism, and out of the Gospels develops the exposition of complete State Socialism for the world in the near future.—*Congregationalist, Boston, Mass.*

"State Socialism," a term which has been loosely but increasingly referred to of late, is very closely defined in this volume. The author, together with many other thinkers of the day, believes that the

* NOTE.—The above and other comments have reference to the situation in Europe as it existed during the winter of 1916-1917, the nations then being at war.

European nations will revert to this form of government at the termination of the Great War.

Mr. Hughes cites as an example a certain presumably hypothetical province in Africa in which this is being tried. This place has been called "Equaland" because all its citizens, women as well as men, have both political as well as economic equality. This State is described at length, and the reader will find every supposed objection to Socialism carefully removed, leaving an apparently perfect and practical form of government.—*Des Moines, Iowa, Capital.*

The author supports his contention with many persuasive arguments.—*United Presbyterian, Pittsburgh, Pa.*

"State Socialism," by Thos. J. Hughes, will appeal to all students of government as a valuable addition to their library. It is propaganda, of course. It pictures an ideal socialistic community in East Africa after the war, but its professions and arguments are not so hard-fisted that even an inherent conservative cannot fail to be interested. State Socialism is so much a reality in so many of the belligerent countries to-day that far-seeing and sagacious statesmen take a more charitable view of it as a governmental form. The book explains clearly just what State Socialism is, and everybody must know that before he can approve or disapprove it. In this clarity of definition lies the volume's greatest virtue, and as such it makes a

warranted appeal to all persons who desire to be well informed, as it is their duty, on matters of such public interest.—*Harrisburg, Pa., Patriot.*

“State Socialism after the War,” by Thomas J. Hughes. All the details are worked out admirably and with due regard to the manner in which modern business is actually conducted. It would be hard to say why Christians, social workers, Socialists, working men, employers of all kinds should not be interested in this book.—*Survey, New York City.*

“State Socialism,” by Thomas J. Hughes. An inquiry that has naturally been brought about since the war began as to what State Socialism is will be found answered in this volume, most satisfactorily. Munitions, food and many other things have been put under the direction of the Government, not only in Germany, but in the other warring countries, and in this connection Senator Borah is quoted as saying that “the war will advance State Socialism”—that is, Government ownership—“in the next five years more than it has advanced during the last hundred years.” That the old Europe is disappearing, that there will be a great democratic advance, and a great moral advance will result from the war are shown.

In a chapter on “Changes Necessary for the Beginning of the New Order,” the author gives interesting and informative plans . . . This book will be read with care and consideration, for the facts are well stated and the theories stoutly supported by evidence.—*St. Louis Globe Democrat.*

A terse statement of what State Socialism is and how it would work, prepared in the light of the most recent developments in Europe and America.—*American Review of Reviews, New York City.*

The book is of the sort that help to make ideas grow.—*Publishers' Weekly, New York City.*

The author claims a new economic system based upon three fundamental principles found in the teachings of Jesus. These are a property tenure according to earnings, a distribution of subsistence according to needs, and the same or equal wage. These are the principles upon which the world is eventually to be governed.—*Detroit Free Press.*

View of State Socialism After a Great Conflict.

In an assured prophetic vein, of a certain "Looking Backward" quality, Thomas J. Hughes has made a distinctive contribution to the current socialistic literature in his book, "State Socialism After the War." It is assumed by the author that the Great War is over, and in his opening chapter the new conditions to be met and overcome are synthetically presented. . . . The social and industrial revolution due to the war is heralded as a definite awaking of the people.

Mr. Hughes sees in the organization of great states for war, with every form of industry under despotic control—in grave emergencies, one-man power is the only safe reliance—an earnest of a future long-continued socialistic régime. . . .

Mr. Hughes' initial presumption is that a cessation of hostilities was finally brought about by the intermediation of the neutral powers. This characteristic assumption tinges the entire course of the author's original and interesting prognosis of post-bellum industrialism.

It is in the teachings of Jesus, says Mr. Hughes, that men of the future constructive era will find the foundation principles of a new and more beneficent economic order—which in modern parlance is nothing more or less than State Socialism. This 350-page volume is devoted to an extended exposition of the theme thus advanced.—*Philadelphia North American*.

Every page of this book is rich in information, and a careful reading is sure to give the reader an adequate conception of "what is State Socialism?"—*Cincinnati, Ohio, Commercial-Tribune*.

Many think that the cause of Socialism will be advanced by the present war, in Europe if not in this country. How such a scheme of things might be expected to work is described by Thomas J. Hughes in "State Socialism After the War." The author's treatment is friendly and optimistic.—*Cleveland, Ohio, Plain Dealer*.

"State Socialism After the War" is something after the manner of "Looking Backward" in its presentation of the subject. Instead of predicting what is going to take place the author places himself ten years ahead and then tells, as if reciting the truth, what has happened.

A terse statement of what State Socialism is and how it would work, prepared in the light of the most recent developments in Europe and America.—*American Review of Reviews*, New York City.

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"State Socialism After the War" is something after the manner of "Looking Backward" in its presentation of the subject. Instead of predicting what is going to take place the author places himself ten years ahead and then tells, as if reciting the truth, what has happened.

He believes that the great result of the war in Europe will be that her nations, belligerent and otherwise, will be compelled to adopt State Socialism to escape bankruptcy. This will be easier, since it is to a large extent in vogue now in Germany, France, and to a lesser extent in England, where railways and munition plants are conducted by the Government. The author believes that by keeping all national interests in one pot the belligerent nations will be able to recuperate rapidly and that the benefits will be so great that no attempt will be made to go back to individualism.

The author also believes that this country will have to adopt the same methods and will gain greatly thereby. His book is a setting forth of State Socialism in a rather radical, although not extreme, fashion. The picture he paints is a pleasing one. Every one is honest, industrious and energetic. All work for the common weal with the same energy as for individual advancement. Of course there are difficulties, but they are overcome by sharp supervision of the State. . . . An informing, readable book.—*Philadelphia Inquirer*.

In "State Socialism After the War" Thomas J. Hughes forecasts conditions at the close of the present European conflict, and in an interesting manner details the formation of an imaginary colony in Africa by Great Britain known as "Equaland."

Industrial conditions in England at the close of the war have reached such a crisis that the Government

is compelled to evolve some radical plan to relieve the depression and satisfy the demands of the people.

Colonial expansion upon a large and unprecedented scale is decided upon, and an Act of Parliament is passed granting a large sum of money for the settlement and development of Africa. A commission is appointed to formulate laws for the new country, and here the doctrines of State Socialism are brought into play.

The author builds up the imaginary colony step by step, and discusses the principles under which it is founded and the manner in which the scheme is worked out.

"No one should be permitted to reap anything from society except through his own ability, according to his own merit, and in return for his own services rendered society," comments the author and continues to explain that in Equaland every citizen is upon this basis, and property, both real and personal, reverts to the State at his death.

Mr. Hughes presents his views in a manner that does credit to the cause he represents.—*Brooklyn, New York, Eagle.*

In "State Socialism After the War" Thomas J. Hughes sets forth economic conditions in Equaland, a hypothetical state founded by Great Britain on the coast of East Africa after the close of the great conflict. . . . The plan is worked out in detail, and the author shows how, through a more extended application of modern business methods, it could be

adopted to countries now existing as well as those to be settled in the future. Mr. Hughes claims that the scheme is founded on the teachings of Christ and that it will do away with the great problem of poverty. Many of the great thinkers of the world believe that State Socialism in some form will follow the war, and all suggestions along this line are of timely interest, especially to those concerned with economic questions. —*Enquirer, Cincinnati, Ohio.*

Just what is State Socialism, which, it has been said, will prevail in Europe after the war? This Mr. Hughes attempts to explain in clear and concise, logical and readable English.

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This book is worthy of review in the columns of the *Standard* because of its attitude towards religion and the interpretation of Scripture. Its socialistic programme as such is about that of any late books on Socialism. It contends for: (1) An equal wage as a

minimum; (2) Distribution of the means of subsistence according to needs; (3) A system of property tenure according to ability, or as ability is proved by earnings, according to earnings. At death all property held by any individual is returned to the State for redistribution. All of this is worked out in great detail. But when the author goes into the realm of religion and the Bible, he has something on Socialism that this reviewer has not seen in any socialistic teaching before. He believes that the present war is to usher in a new era; that that era is foretold in Scripture; that it is the coming of the Kingdom of God with Jesus as King; that State Socialism must be, before the King will come. In other words, men must prepare for the coming of the King. The author says: "The Kingdom of Heaven is primarily a moral and spiritual condition, having to do with man's relation to God; but it also has a social phase or aspect which has to do with man's relation to man." The author goes on to say that the "Kingdom of Heaven" refers to a regime or era to be established upon earth. The specific teachings of Scripture upon which the socialistic scheme is based are the Lord's parable of the labourers (Matt. xx. 1-16); and His parable of the talents (Matt. xxv. 14-30). In these he finds the equal wage, distribution according to needs, and property holding according to earning ability. The author sees in modern big business the last stage of preparation before the present war, for the ushering in of the new era, the coming kingdom—State

Socialism. The book is written as if the war had already ended and State Socialism an accomplished fact in one place on the earth. . . . Whatever one may think of Socialism, this book is calculated to lead thoughtful people to do some sober thinking.—*Baptist Standard, Dallas, Texas.*

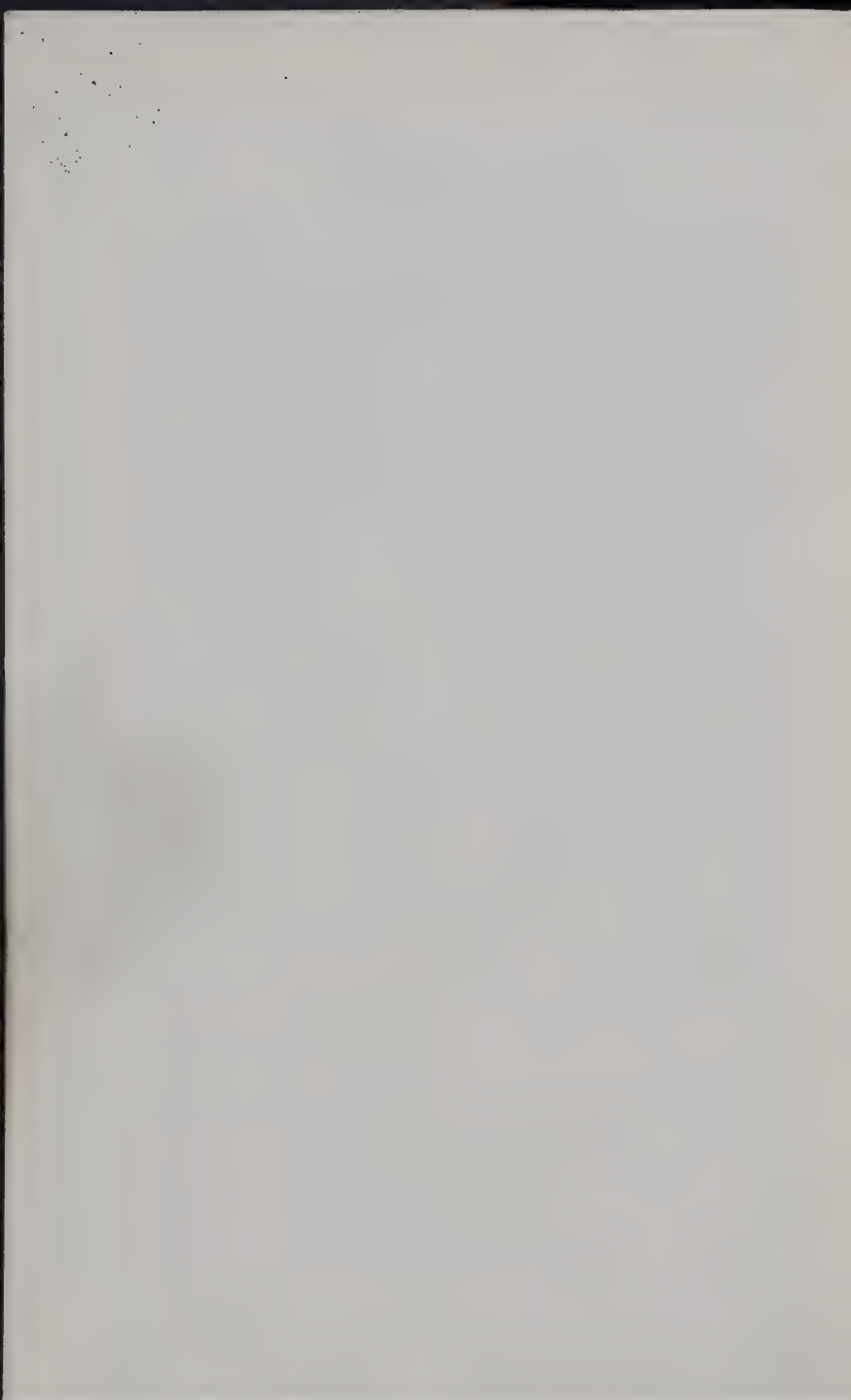
Mr. Hughes has worked out the details of this problem thoroughly, has told us exactly what this Socialism means, and has told it in an interesting, enjoyable fashion.—*Press, Philadelphia, Pa.*

The author has written out his theory in an exceedingly readable style, and as a mere literary production it is worth the price of the book.—*Gospel Advocate, Nashville, Tenn.*

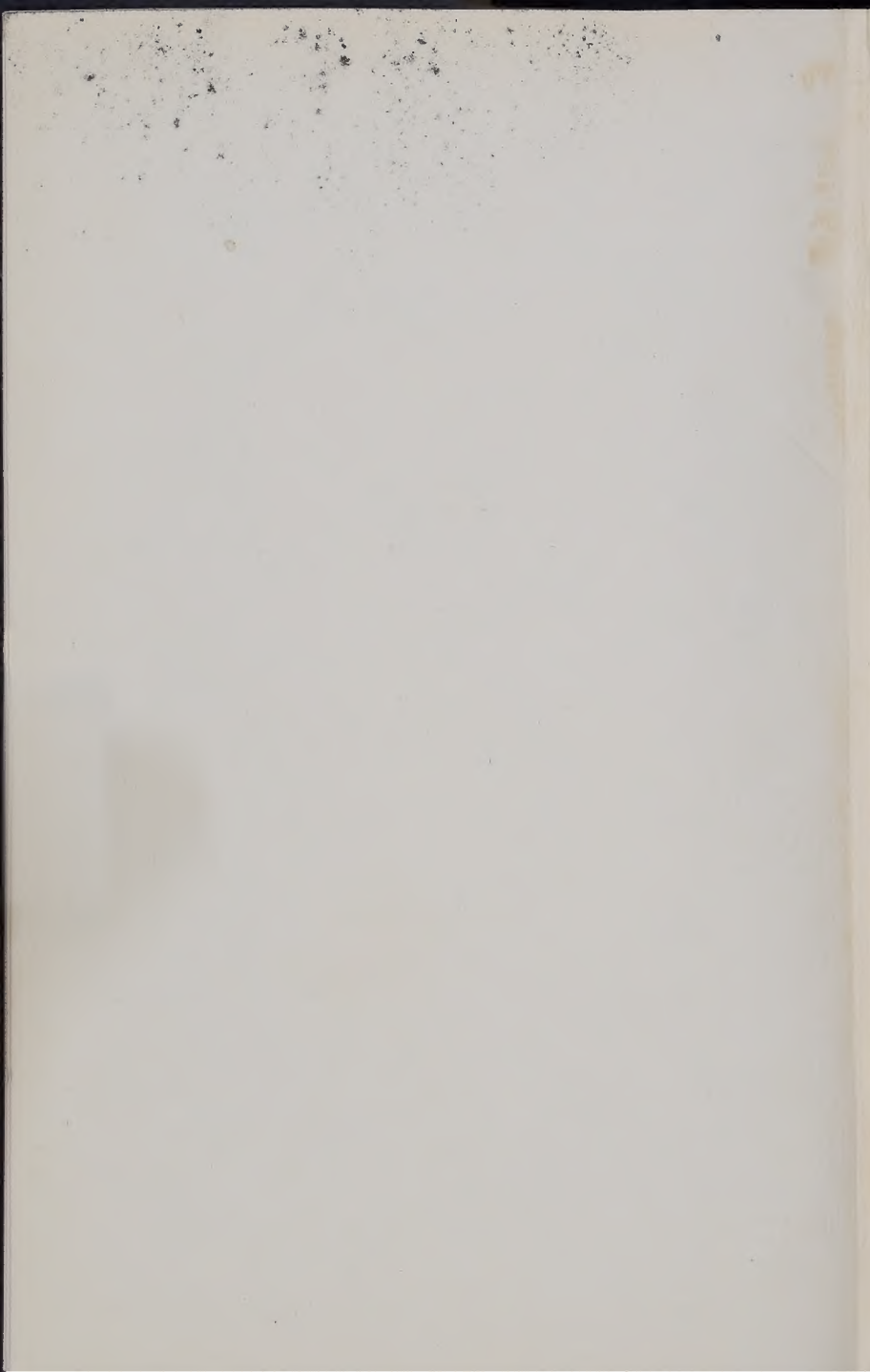
The events of the war have already indicated very forcibly that there is likely to be an extensive assumption by the State of powers that have been hitherto generally regarded as the inalienable rights of the individual. Already the Governments of Germany and Great Britain have, under the stress of the war, commandeered private industry to an extent alarming to the stickler for the old order. Mr. Hughes starts from these facts and very graphically draws a picture of the settlement of East Africa at the termination of hostilities. Here he sees a great opportunity to establish the best system of government one ever dreamed of. This is not that state of Socialism so many have feared. Though the inheritance of real and personal property is to be done away with, and a

living wage is to be paid to every worker, the advantage of individual initiative is not to be lost sight of. For, while all property is to revert to the State at the death or retirement of its user, each individual worker is to be stimulated to his best effort by the provision that he shall have, in addition to the common equal wage, twenty per cent. of the amount of his earnings for personal expenses, and may have the use of a home of the value three times his annual earnings. Every family is provided with a home; charity institutions are to be no more.

Mr. Hughes claims to have gotten the major principles of this plan from the teachings of Jesus, particularly from the parables of the talents and the labourers in the vineyard. He considers such a plan as this the necessary economic basis for the coming of the kingdom of heaven here on earth; he is among those who are awaiting the coming of the Lord as a new era in earthly politics. His plan is as interesting to any one concerned with economic and social advance as any novel could be. . . . The book presents a most appealing programme.—*Lookout, Cincinnati, Ohio.*







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